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MAR. 15, 1947



TWENTY CENTS - PUBLISHED BY THE McGRAW HILL PU



Wonder what a German thinks about...

... as he digs in the ruins of his house to find broken bricks for a crude shelter... as he snatches cigarette butts from the "inferior race" he was going to rule but which now rules him... as he gazes at the wreck of his city, his nation, his dreams of conquest... wouldn't it be something like this he says to himself:

"I am here, ruined and hopeless, because I believed a man who told me I need not give, I only had to take. I thought anything I could get away with was right.

"Thrift and hard work and an honest day's work for an honest day's pay were for fools; I thought if I could become strong enough I could get all I wanted because I could be ruthless.

"Honesty was for fools; power was for us. We were united; we could do anything.

"Fair play was for weaklings.

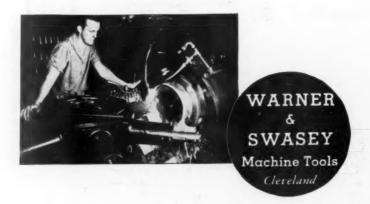
"Yet somebow those weaklings conquered us. Was it because their honesty, thrift, hard work, fair play somehow made them stronger than we were?"

And looking to the west, might not that German say,

"If I were lucky enough to be in that country today, I would tell them what I have learned—that you have to give before you can get, that you have to work before you can be paid, and that the wise man is actually stronger if he recognizes and accepts the other man's rights, and respects them rather than trying to destroy them.

"If I were in America today, as employer or employee, I would not squabble—I would work, I would earn, I would produce. I have learned the hard way but too late, that only out of what I add to the world can I receive from the world."

But 1



YOU CAN MACHINE IT BETTER. FASTER, FOR LESS WITH WARNER & SWASEY TURRET LATHES AND TAPPING MACHINES



An "underground movement" that is 8 years old

A typical example of B. F. Goodrich product development

MINE cars aren't much good in a mine where the seam of coal is hin. To make room for the cars you have to blast and haul out more rock than coal. And that's costly. So for many years a lot of good coal never haw the light of day.

Conveyor belts were obviously the answer. But, to stand the pull of carrying thousands of tons of coal over long distances, the belts had to be made so heavy and stiff that they wouldn't form a trough except when loaded with coal. But belts run empty part of the time.

Then they flatten out, climb the rollers and tear themselves to death.

A few years ago B. F. Goodrich engineers developed a new kind of conveyor belt for heavy duty service. It's made of individual lengthwise cords surrounded by rubber to cushion heavy shocks. But it's light and extremely flexible. Eight years ago one of these cord belts was placed in service in a West Virginia mine. It proved to be the perfect answer for underground mining. It stood the impact of large lumps of coal yet formed a perfect

trough and stayed on the rollers even when the belt was empty. That first belt is still in service—along with hundreds of others which have been installed since. It's a typical example of the B.F.Goodrich product development that has brought efficiency and economy to every part of American industry. The B.F.Goodrich Company, Industrial Products Division, Akron, Obio.

B.F. Goodrich

GOOD AIR IS **GOOD BUSINESS**



Airkem Service protects 2-ways

at the nose level

Today, customers are more discriminating. An odor taint in the air becomes a bad risk. Then, too, employees slow down when air is close and stuffy. So, more than ever, good air is good business.

The Airkem Service is the modern way to end odor problems and freshen stale, stuffy air. First Airkem does not just mask odors like old-fashioned oils and sprays. Actually it counteracts odors. So it ends odor problems. Second Airkem. which contains Chlorophyll and other substances from the green plant cell, adds a welcome note of freshness to the air . . . makes it pleasant to breathe.

Use Airkem Service before an awareness of odor develops. Use it to overcome the effect of crowds...

tobacco smoke ... cooking and occupancy odors. Many restaurant owners use Airkem regularly. So do hospital and hotel managers. It's used effectively in New York's Roxy Theatre, Chicago's Aragon Ballroom, Los Angeles' Biltmore Hotel.

Only Airkem Chlorophyll Air Freshener can bring your business the two-fold service of counteracting odors and adding a note of freshness to the air. With the Airkem Service you need fewer costly changes of air. So it's economical all the way around.

For small spaces . . . long-lasting wick bottles. For larger ones . . . specially designed mechanical equipment. Look for "Airkem" in your 'phone book, or write to us at 7 East 47th St., New York 17, N. Y.



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VASHINGTON OUTLOOK

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ICE

TRUMAN IS FORCING a showdown with Congress as well as with Russia.

He could have had his \$400 million for ece and Turkey with little opposition if he had d his appeal solely on relief and rehabilitation. But he decided that a short-of-war showdown Russia was too important to weasel into; had to have an outright vote of confidence the G. O. P. Congress.

Truman chose to make it unmistakably plain Greece is only the first move to block Russia ver the world (poge 111).

So, if Congress gives him the money, it swalhis policy too.

It's no fun for congressmen.

They don't like the policy. And they don't having to make up their minds in one jump.

r, Willia Vandenberg's total support of Truman means Congress doubtless will go along in the end.

This first loan doesn't run afoul of G.O.P. get-cutting ambitions. Little of the aid for er Greece or Turkey will be cash.

Mostly, it's surplus tanks, trucks, and other over war stocks.

THE SUPREME COURT is busy making homek for the Taft and Hartley Labor committees.

First, it was the Lewis decision (page 15). The tempt conviction was upheld 7-2. But governnt's recourse to injunction carried only 5-4only because the miners happened to be fedemployees at the time.

Still to be legislated: how to cope with tional paralysis" strikes.

So, you're hearing more in Congress about ewing government seizure powers. However, e is substantial sentiment for an amendment he Norris-LaGuardia act to permit Lewis-type nctions without the formality of seizure.

This week the high court was at it again.

In the San Francisco Bay area lumber case, court ordered a retrial (page 20). Grounds: ough antitrust violation was proved, the lower t failed to give union defendants their special ection under Norris-LaGuardia.

And, in the Packard case, foremen are found e "employees" entitled to the privileges of the gner Act (page 97).

You can be sure, as a result, that Congress will rewrite this decision. It's still a question, though, whether foremen will be denied entirely rights under the Wagner Act, or only if they affiliate with production workers.

The House and Senate committees are writing separate labor bills (page 102). Taft's group is due to finish first.

They appear farther apart than they really are. In the final bill that goes to Truman, you can expect:

No compulsory arbitration and no closed shop ban.

No outlawing of strikes-but calling and timing of walkouts may be regulated (BW-Mar.8'47,p6).

No prohibition of industry-wide bargaining. Instead, there'll be a Wagner Act change requiring unions to bargain with willing employers-Lewis with northern operators, for example.

You can expect these items to be in Congress' compromise labor bill:

Outright ban on secondary boycotts.

Federal machinery to handle jurisdictional disputes.

A new Federal Mediation Board-despite labor and management objections. It will replace the present conciliation service.

Wagner Act changes spelling out employer rights of free speech, hitting at mass picketing, making unions responsible under contract.

Summary: The bill will be stronger than last year's vetoed Case bill. But not as strong as most employer witnesses asked for.

SCHWELLENBACH'S PROPOSAL to ban Communists from public office wasn't planned ahead of time.

It just popped out. But he is happy that it did.

Here's what happened: House Labor Committee members were needling him about Communists in labor unions.

Schwellenbach argued you couldn't single out just labor groups. Why not ban them from everything?

Chairman Hartley picked up the ball. He's still running with it.

WASHINGTON OUTLOOK (Continued)

G.O.P. SENATE SNIPING at Taft's leadership is the biggest sideshow in town.

The Gallup poll's finding—that the Democrats again have a 51% majority vote in the nation—convinces G.O.P. leaders that folks back home don't like the show.

What worries party leaders is that the act will spoil the main event—which is: writing a legislative record that can win the White House in '48.

You are really seeing raids against Taft's presidential aspirations. He has stubbed his toe trying to keep all his fences up.

So, other Senate presidential hopefuls seek to gain ground for themselves.

There is still no real split among the G.O.P. over legislative program—except for Aiken and Morše.

Vandenberg vs. Taft on Lilienthal's confirmation makes a black headline. However, they agreed on the budget cut.

And Taft follows Vandenberg's lead on tariffs. Vandenberg sees pretty closely with Taft on labor.

Sen. Baldwin's self-assigned role as spokesman for the G.O.P. freshmen Senators is his bid for the future.

A year ago Baldwin decided to quit politics when his term as Connecticut governor expired. Stassen talked him into running for the Senate.

Baldwin is aware that a Baldwin-Stassen or a Stassen-Baldwin—ticket meets geographical requirements.

BUDGET-CUTTING House Republicans have decided they can "save" \$800 million in tax refunds next year.

It's a 15% bite toward the \$5,250,000,000 the G.O.P. claims it will slash out of Truman's budget.

The tax refund "savings" show up in the first departmental money bill—\$12-billion-plus for Treasury and Post Office—that skipped through the House this week.

Democrats called it a fraud. If the G.O.P. guess is low, there'll have to be a deficiency appropriation voted later.

SECRETARY ANDERSON doesn't fear the cost of farm price support this year. It's the fall of '48 that bothers him.

For this year—and through next spring—

Anderson now sees government support-by under the Steagall amendment limited to pot dried skim milk, eggs, turkeys.

All of these can be disposed of without la except maybe potatoes; success there depend how much over the 375,000,000-bu. goal the goes.

On potatoes, Anderson won't go be threatening to put production-goal limits on vo of support buying—this year.

Potatoes are grown in Republican standarson wouldn't be unhappy to have a hor example of Steagall amendment operation dangle before Congress next year—for leaving holding the bag this year.

Also, the G.O.P. must come up with a sut tute program in '48.

RUBBER PURCHASE by the government of Mar. 31 is up to Congress. It'll be another dead decision—like last December.

Truman has washed his hands of the induscrap over purchase (BW—Feb.22'47,p19). wants only allocation, product-specification, inventory-control authority until Congress was a national rubber policy for synthetic.

The House is set to give him just that, there's apt to be an attempt in the Senate to keep the purchase program going, too.

Odds increase that the government will at the fiscal year June 30 in the black, for the fitime since 1930. If there is a <u>deficit</u>, it's a certain to be a good bit less than Truman's \$2,30000,000 estimate last January. . . .

Patent Office proposes doubling its fees become wholly self-sustaining—a move design to give Congress less excuse to cut its funds.

You needn't fret if your canceled income check is slow coming back. Internal Revenue sit's short-handed to meet the last-minute dely Early birds got better service—on refunds, too.

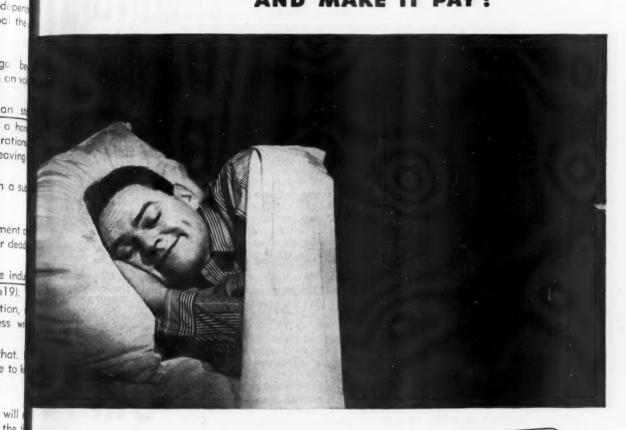
Jobless payments to veterans total nearly billion. So far, only 218,000 vets are graduates the 52-20 club—they've collected their \$20 week for 52 weeks. Over 6½ million have received least one check. . . .

Commerce Dept., looking at nation's reconnumber of retailers, predicts a "period of intencompetition" soon for consumer dollars. Depoment's advice: Pare your operating and sellicosts.

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How to Sleep on the Job

AND MAKE IT PAY!



This vice-president in charge of sales is making his regular trip through the territory.

It's a tough grind. Long, hard days-with as much as 500 miles between them. So he travels by train. And sleeps on the job-in a Pullman private room.

Does it pay? You bet it does!

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You start to relax the minute you settle down in the privacy of your room. You get a grand night's sleep.

And you get where you're going safely-on dependable railroad schedules; feel rested, refreshed and ready to pitch in when you step off the train right in town.

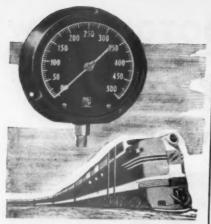
So, for a combination of advantages that no other way of traveling can match . . .

Go Pullman

THE SAFEST, MOST COMFORTABLE WAY OF GOING PLACES FAST!



NEW CAR NEWS: Among the many new Pullman car accommodations now going into service is this modern Bedroom with completely enclosed toilet facilities . . . another evidence of the constant concern for your greater comfort and convenience that has maintained Pullman leadership in travel hospitality for more than 80 years.



How seldom it fails!

THE power to run electric trains is generated many miles away. In the huge power plants the engineers have a special pride in maintaining perfect service.

To do this, it is vital that they know at all times the exact pressures of water, steam and air in the various lines. Many of these utilities use Ashcroft Gauges—depending on their enduring accuracy.

There are thousands of Ashcroft Gauges in the huge power plants—thousands which, by actual service over many years, have demonstrated the quality of Ashcroft Gauges.

They are also used in transportation, and in hundreds of industries. For nearly one hundred years Ashcroft Gauges have kept the faith with men who believed in them.

If you use pressure gauges in your processes, install Ashcroft Gauges.

Stocked and sold by leading Distributors everywhere... When you order gauges, insist on ASHCROFT... Write for booklet.



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MANNING, MAXWELL & MOORE, INC.
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Makers of Ashcroft Gauges, Hancock Valves, Consolidated Safety and Relief Valves and 'American' Industrial Instruments. Builders of 'Shaw-Box' Cranes, 'Budgit' and 'Load Lifter' Hoists and other lilling specialities.

THE COVER

Palmer Hoyt's first year as top man on the Denver Post is applauded by fellow professionals who have mournfully noted the decline and fall of many a famed newspaper. Approval of readers and advertisers is registered in the profit

column (page 17).

The expansive outsider, for all his western affability, has yet to crack the moss-grown citadel where Denver's old guard is intrenched. Politicians resent Hoyt's picking at pet projects. George Cranmer, millionaire manager of parks and improvements, fumes under Hoyt's ridicule of his "illegible" street signs. Hoyt took a few sly pokes at these during a goodwill luncheon recently. Whereat Ben F. Stapleton, the city per-ennial mayor, was heard to growl, "Well, he found his way into town by 'em. Maybe he can get out the same way.' • Stakes a Big Claim—The approving faction contends that the town can use a few pokes in the ribs and that Hoyt is one of the best things that has happened to Colorado since Pike's Peak. He is well equipped to win for the Post the vast Rocky Mountain empire to which he has staked a claim. Besides his ability as a newspaperman. Hoyt's major asset is his friendliness. He shows a genuine interest in everyone he meets. People instinctively like and trust him.

In hiring Hoyt (at \$52,000 a year) to tame the wild and woolly Post, the owners made a shrewd choice. He was a Westerner but not of the overly exuberant type. As publisher of the sedate Portland Oregonian, Hoyt had absorbed the ways of a solid, somewhat conservative community. His enthusiasm for civic affairs led admirers to say that he was "president of everything in Portland."

"president of everything in Portland."
Hoyt once remarked, "It's a good thing
the East Coast was discovered first. If
the Pacific Coast had been settled originally, no one would have wanted to go
East." He has doubtless extended the
observation to include the Rocky Moun-

tain region.

• Midwest to Far West—Hoyt was born in Roseville, Ill., Mar. 10, 1897. At the University of Oregon, he made good grades while editing the college paper, handling sports for the local paper, and acting as campus correspondent for the Oregonian. In the first World War, Hoyt served in the A.E.F. as a sergeant major; in the second he headed the domestic branch of the OWI.

The Pictures——Acme—15, 34, 36, 41, 47; Int. News—18, 104; Charles Phelps Cushing—31; Press Assn.—60, 83, 84, 108; Victor de Palma-Pix—17; Science Progress—21; Fotocraft—48, 49; Retailing—74; McGraw-Hill Studios—80; Pirie MacDonald—93; Stewart & Skelton—93; National Film Board—113; A.C.K. Ware—114.

SUNROC* SERVES THE WORLD...

cool drink of water SUNROC offers nation-wide sales and

service facilities.

SURROE provides the most complete line of water coolers on the market—for business, industrial and

SUNROC has been in uninterrupled production since 1929.

institutional use.

SUNROC will deliver extra years a trouble-free service, at low operating and maintenance cost.

And Sunroc Water Coolers are and able now. Write Dep't BW3 Sunroc Refrigeration Co., Gk Riddle, Pa.

Sunrol Water Cook

GLEN RIDDLE, PA.



ISINESS OUTLOOK

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Labor peace, generally regarded as the prime essential to a high level of business activity, now seems assured (page 15).

The Supreme Court decision in the Lewis case virtually bars a coal walkout prior to June 30. The desire to block drastic labor legislation stands to forestall walkouts by other unions any time soon.

Raw materials are about the only restraint on full production now.

Any change in the labor situation, if such a change should indeed occur, probably would be the result of one or more of these three factors:

- (1) Too much rank-and-file pressure on union leaders because of the sharp price rise in many cost-of-living items recently.
- (2) Too tough an attitude on the part of management, reflecting the shift in Washington sentiment about strikes and strikers.
- (3) Too spectacular profits in first-quarter earnings statements. The steel industry's labor negotiators must work against the effect of the showy financial reports that some of its companies will have in the newspapers late in April.

Greatest danger to business lies in high and advancing prices.

Higher price tags on both bread and meats in particular will alter family spending patterns. More money spent on food, a relatively inflexible budget item, means less for apparel, home furnishings, and so on.

This is one limiting factor on demand for many types of durable goods. Autos and refrigerators, for example, seem to have an almost boundless market. Yet declining purchasing power would put a limit on the number that can be produced and sold.

Hand in hand with this danger goes another:

A tumble in prices would cause everybody to hold off buying—manufacturers as well as consumers.

Such a price tumble is rendered the more likely by the speed of the recent rise. Tuesday's sharp break in commodities was just a sample.

People are making the most money ever. January income payments to individuals were at an annual rate of \$176 billion.

That doesn't mean, however, that everyone can buy everything he wants or needs. This huge total of individual incomes won't go as far as it did a year ago owing to the rise in prices.

Consumer incomes now are running more than \$19 billion a year higher than in the first quarter of 1946. That's a gain of better than 12%.

But food is up 30%, clothing nearly 20%, and the over-all cost of living, as computed by the Bureau of Labor Statistics, has risen 18%.

With prices rising faster than incomes, the competition between soft and hard goods for the consumer's dollar is intensified.

Comparison of chain store sales for January and February with a year ago shows by far the largest gains in food. Apparel reports only minor gains over 1946, while dollar volume of shoe chains is down.

That gives some idea. People have to buy food, and a representative group of food chains shows gains that parallel or exceed the price rise.

People have to buy shoes and clothing, too, but they can make the old things do for a while if prices look way too high. There you see the competi-

BUSINESS OUTLOOK (Continued)

BUSINESS WEEK MARCH 15, 1947 tion within soft goods lines. The situation is even more acute between food, say, and the autos that people have been wanting to buy.

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This helps to explain why price readjustments are not only desirable but practically inevitable, despite the recent commodity boom.

Smart merchandisers, the country over, are watching their stocks closely (and any who aren't had better start).

One particularly successful West Coast department store now requires executive approval of all new orders before they are placed. A Milwaukee store is canceling on women's apparel if it can't get better prices. A New York store tightened its inventory policy early in January.

Price adjustments are pretty hard to make without repercussions in many directions. That's why, even in a boom like this, the markdowns aren't likely to be made without a moderate slump in general business.

Manufacturers, as well as wholesalers and retailers, start to feed on inventories in a declining market. This cuts business of their suppliers. This, in turn, means falling employment and purchasing power.

We would have had a much better chance of avoiding such a dip in business had the gentle price decline of December-January been continued.

Manufacturers' inventories which aren't large now in relation to volume of sales would be big if prices and activity started to fall.

About \$350 million was added to manufacturers' inventories in January, according to the Office of Business Economics, Dept. of Commerce. That approximates the average rate for recent months.

An interesting fact is that soft goods manufacturers added about as much to stocks as did makers of durables. This comes in the face of apparently falling retail sales in many soft goods lines.

It will result in a very weak situation if it means that producers of soft goods are ignoring retailers' warnings of price resistance.

Gasoline is going to cost more as a result of this week's advance of 25¢ a barrel on crude petroleum.

The statistical position is strong. Stocks of gasoline haven't been built up during the winter to the extent that many had thought necessary to meet anticipated large demands in the spring.

Stocks early this month were just above 105,000,000 bbl., scarcely a million barrels higher than a year earlier.

Oil discoveries in 1946 did very little, one way or the other, toward answering the old question of how long motor fuel reserves will last.

True, additions to proved reserves were the largest since 1939. And discoveries exceeded production by the widest margin since 1942.

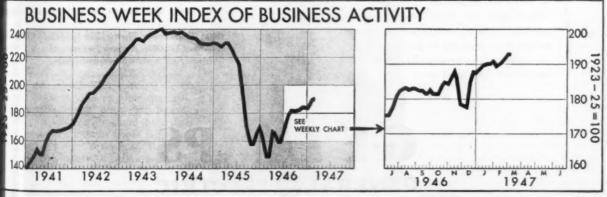
But new reserves only exceeded by about one-quarter the estimated 1946 use of 1,740,000,000 bbl. (Estimated needs in 1947 are in the neighborhood of 1,825,000,000 bbl.)

Proved reserves at the end of the year are estimated by the American Petroleum Institute at 20,873,560,000 bbl. of crude plus 3,321,027,000 bbl. of natural gas liquids. This amounts to nearly 14 years' supply at the 1946 rate of use, barely more than 13 at the estimated 1947 rate.

PAGE 10

IGURES OF THE WEEK

The state of the s	\$ Latest Week	Preceding Week	Month Ago	Year Ago	1941 Average
HE INDEX (see chart below)	*193.3	+193.4	190.2	163.8	162.2
CODUCTION					
Steel ingot operations (% of capacity)	95.8	94.4	93.4	83.6	97.3
Production of automobiles and trucks.	104,437	†105,175	89,958	23,050	98,236
Engineering const. awards (Eng. News-Rec. 4-week daily av. in thousands)	\$17,557	\$15,534	\$13,946	\$12,677	\$19,433
Electric power output (million kilowatt-hours)	4,787	4,797	4,801	3,953	3,130
Crude oil (daily average, 1,000 bbls.)	4,824	4,771	4,770	4,403	3,842
Bituminous coal (daily average, 1,000 tons)	2,146	2,172	2,293	2,122	1,685
RADE					
Miscellaneous and L.C.L. carloadings (daily average, 1,000 cars)	86	†84	82	77	86
All other carloadings (daily average, 1,000 cars)	56	†55	57	54	52
Money in circulation (Wednesday series, millions)	\$28,335	\$28,262	\$28,295	\$27,957	\$9,613
Department store sales (change from same week of preceding year)	10%	2%	10%	19%	+17%
Business failures (Dun & Bradstreet, number)	58	74	45	22	228
NCES (Average for the week)					
	423.2	415.0	390.0	271.4	198.1
Spot commodity index (Moody's, Dec. 31, 1931=100)	279.0	415.9 273.1	267.8	271.4 171.4	138.5
Industrial raw materials (U. S. Bureau of Labor Statistics, Aug., 1939=100) Domestic farm products (U. S. Bureau of Labor Statistics, Aug., 1939=100)	343.7	337.5	312.5	238.6	146.6
Finished steel composite (Steel, ton)	\$69.73	\$69.73	\$69.73	\$63.54	\$56.73
Scrap steel composite (Iron Age, ton)	\$38.75	\$36.67	\$33.75	\$19.17	\$19.48
Copper (electrolytic, Connecticut Valley, lb.)	21.054e	19.954e	19.650e	12.000¢	12.022
Wheat (Kansas City, bu.)	\$2.56	\$2,34	\$2.17	\$1.72	\$0.99
Sugar (raw, delivered New York, lb.)	6.12e	6.12e	6.12e	4.20e	3.386
Cotton (middling, ten designated markets, lb.)	34.91e	34.12e	33.02¢	26.61¢	13.946
Wool tops (New York, lb.).	\$1.580	\$1.587	\$1.531	\$1.330	\$1.281
Rubber (ribbed smoked sheets, New York, lb.)	25.75¢	25.75¢	25.75¢	22.50¢	22.16¢
NANCE					
90 stocks, price index (Standard & Poor's Corp.)	120.2	122.8	127.6	138.1	78.0
Medium grade corporate bond yield (30 Baa issues, Moody's)	3.14%	3.14%	3.12%	2.93%	4.33%
High grade corporate bond yield (30 Aaa issues, Moody's)	2.55%	2.55%	2.55%	2.47%	2.77%
Call loans renewal rate, N. Y. Stock Exchange (daily average)	11-11%	11-11%	11-11%	1.00%	1.00%
Prime commercial paper, 4-to-6 months, N. Y. City (prevailing rate)	1%	1%	1%	3%	1-8%
NKING (Millions of dollars)					
Demand deposits adjusted, reporting member banks	38,590	38,686	39,424	37,395	23,876
Total loans and investments, reporting member banks	55,417	55,056	55,567	67,699	28,191
Commercial and agricultural loans, reporting member banks	10,802	10,712	10,573	7,458	6,296
Securities loans, reporting member banks	1,761	2,056	1,906	4,625	940
U. S. gov't and gov't guaranteed obligations held, reporting member banks	35,301	34,790	35,592	49,231	14,085
Other securities held, reporting member banks	3,447	3,381	3,386	3,431	3,710
Excess reserves, all member banks (Wednesday series)	760	690	730	924	5,290
Total federal reserve credit outstanding (Wednesday series)	23,804	24,761	24,050	23,297	2,265
Preliminary, week ended March 8th.		for "Latest			



Two ways to size up the Fluorescent Lamps you buy





ONE WAY would be to make yourself an expert on phosphors—the fluorescent crystals that coat the inside of a fluorescent lamp. To do that you'd need special scientific equipment like the photronic brightness tester shown above in the General Electric lamp research laboratory. With it, you could check the comparative efficiency of different phosphors. But even after you'd tested hundreds of phosphors, you'd still need years of training and experience to know how to put your findings to use. Fortunately there's an easier way to recognize quality in fluorescent lamps. All you need do is . . .

INSIST ON THE MONOGRA

on every fluorescent lamp you buy for you store, factory, office or home. You can look G. E. for all that's newest and best in fluore cent lamps. *General Electric research continues to work constantly with one aim in min—to make G-E lamps Stay Brighter Long.

FREE1 Write General Electric, Div. 166-B3-15, Nela Par Cleveland 12, Ohio, for your free copy of new booklet facts and figures about fluorescent lamps.

G-E LAMPS GENERAL & ELECTRIC

BUSINESS WEEK

NUMBER 915 MARCH 15, 1947

Court Ties Down the Whistle

Decision in Lewis case practically assures the nation that it can go ahead and produce full-blast, with no fear of serious labor trouble. New seizure-and-injunction law is likely.

The Supreme Court decision that set john L. Lewis and the United Mine Workers back on their heels automatially gives the country's feverish prosenty a new lease on life.

Major Strikes Unlikely—With Lewis ied down, it is fairly safe for employers to assume that this spring's crop of wage demands will generate no major ie-ups in basic industries. Unless both ides make a botch of negotiations, here will be no paralyzing strikes in teel, automobiles, or the railroads. And is long as the government keeps title to the mines, there can be none in coal—though there may be sporadic walkouts it some of the pits after Mar. 31, the expiration date Lewis set on the contract when he called off his strike last

This means that the current boom in adustrial production is free to continue until it collapses of its own weight. There is now only an outside chance hat labor will puncture the balloon.

Pact Before June 30?—Under present aw, the government's authority to hold the mines expires June 30. The odds are that Lewis and the operators—with vignous prodding from Washington—will work out an agreement before then. If they don't, Congress is likely to hustle through an extension of the seizure law. But in any case, industry can be sure of the better part of four months to concentrate on production.

During that grace period, industry almost certainly will smash peacetime production records right and left. Reconcersion is over now, and the plants are set to go at a hell-for-leather clip. Basic materials still are short, but the worst of the bottlenecks that choked off the flow of goods last year have been cleaned out. Given a fairly peaceful labor situation, manufacturers are ready to go thead and produce their heads off.

Natural Death—But obviously the Lewis decision doesn't alter the basic fact that a boom can't last forever. There have been more and more signs ately that the current boom is getting pretty close to the end of its rope. Commodity prices, which around the lum of the year seemed to be shaking down a trifle, have started shooting through the roof again (BW—Mar. 1'47.p9). Department stores report

that pre-Easter buying has been slow getting under way. Retailers in general have been running into grimmer and grimmer price resistance from consumers. Inventories continue to pile up along the production and distribution line in spite of all the talk about holding them down.

Nobody knows just what effect four months or so of all-out production could have in this situation. But obviously it would go a long way toward satisfying the ravenous demand that has powered the boom so far. There is a better than even chance that, at present prices, consumers won't be willing or



His setback—a reprieve for a boom.

able to soak up the flood of goods that is on the way to them. Nondurables already are showing symptoms of weakness; and even in the scarce durablegoods lines buyers are not clamoring so loudly for merchandise at any price.

• Pessimism From BAE—Approximately this line of reasoning lies behind the forecast issued by the Bureau of Agricultural Economics on the same day as the Lewis decision. Significantly, BAE strays a long way from the official line of "qualified optimism" that CPA has adopted (BW—Mar.7'47,p20).

BAE's experts predict a 15% to 20% drop in wholesale food prices by the end of the year. Industrial activity, they think, will hit its peak during the first half year, then slip 5% to 10% by yearend. Along with this will go a drop of 8% to 12% in national income.

• Hint From the Court—A turn in the price trend and a drop in national income would, by themselves, take some of the steam out of union demands. But in the basic industries—coal, steel, railroads, and the like—employers can count on something considerably more tangible than that. The Supreme Court in the Lewis decision pointed out a road that labor legislation can follow to prevent strikes in the so-called public welfare industries. In all probability, Congress will seize on the court's solution as the easiest way out of an enormously complicated problem.

• Issues—Briefly, here are the issues in the case and the court's decision:

The government argued that the miners became its employees when it seized the properties, and that it was entitled to an injunction forbidding them to strike in violation of contract.

The union's argument was a twopronged one. First, it said that the seizure was only a fiction and that the miners were not U. S. employees. Second, it sought protection under the Norris-LaGuardia anti-injunction law which prohibits the use of injunctions in cases growing out of a labor dispute.

• Judgments—The court slapped the union down on both points. Five justices of the nine said that the Norris-LaGuardia act does not prevent the federal government from seeking injunctions against its own employees and that seizure of the mines was enough to make the miners government workers.

In addition, seven justices out of nine agreed that Lewis and the U.M.W. were guilty of contempt for ignoring the lower court's temporary restraining order while it weighed the question of whether or not it had authority to take the case.

Theoretically, Lewis now can go back



"PLAYBOY" FOR THE WESTERN WORLD

A Lilliputian car for full-sized people is the 1948 Playboy, unveiled recently in Buffalo. It's 13 ft. long, 58 in. wide. Lou Horwitz (above), president, expects his new Midget Car Mfg. Corp. to start quantity production May 1, make 1,000 Playboys this year, 100,000 in 1948. The 26-hp. four-cylinder, rear-mounted engine is coupled to wheels by an automatic drive eliminating gear shift. The car is said to get 40 mi. a gal., travel 60 m.p.h. Officials hope to cut the initial \$950 price to \$750.

to the trial court and ask for a ruling on the original question—whether or not his contract with the government contains the cancellation clause he tried to use when he called the strike. But the time is too short to make this tactic worthwhile. And in any case, the Supreme Court would be likely to rule against him on the question of whether or not the cancellation clause would give him a right to strike.

• Conditional Reduction—Meanwhile, the court has ordered Lewis to withdraw his official notice to U.M.W. locals which now sets Mar. 31 as the expiration date of the present contract. If he does this, the court will reduce the union's fine from \$3,500,000 to \$700,000. Lewis' fine stays at \$10,000.

This disposes of the first great practical problem in the bundle of issues which last year's coal strike thrust on the courts. Even more important, it establishes the seizure-and-injunction method as a practical and constitutional way of dealing with strikes that threaten the public welfare.

But the government's wartime seizure powers expired with the official end of hostilities last Dec. 31 (BW-Jan.11'47, p20). Consequently there will have to be new legislation if the seizure-andinjunction strategy is to be used again.

• New Law?—As things look now, Congress will enact some such legislation when an "emergency" arises, if not beforehand. It is most likely to take the form of authorizing seizure of basic industries—plus a specific spelling out of the injunctive procedure the government can follow in such cases.

Probably the injunction power would scarcely ever have to be used. Seizure alone would be enough to stop the strike if the union knew that it could be put through the same mill as U.M.W.

AIRLINES ASK FARE RISE

The misgivings with which the airlines themselves regard their financial condition were graphically illustrated this week. The Air Transport Assn. announced on Tuesday that the scheduled domestic lines would ask the Civil Aeronautics Board for a straight 10% increase in fares.

This was a decision the airlines hated to make. They are frankly scared about the effect of a rate rise on their competitive position. But evidently they feel it is their only way out.

\$20 Million Plum

Harvester's price cut is calculated to benefit company as well as the customers—and not cost too much, either.

Last week International Harvester's chairman Fowler McCormick assembled his fellow executives for a lecture on inflation. American business, said he, is making uncomfortably high profits. The unions are restive; prices and price-propects are dangerous. Something has to be done.

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McCormick had an eminently direct solution—cut Harvester prices in the hopes others will follow. For several days the brass kicked this idea around. What would suppliers say? The unions Would Washington construe it as a move to lynch smaller competitors? Finally Harvester decided to take a Brody; and announced that on Apr. I prices will be cut so as to achieve a saving for consumers of \$20 million in twelve months.

• Not Too Bitter—McCormick's colleagues are prone to interpret all his actions as stemming from "social consciousness." This time, as usual, that explanation was put forth. But from a work-a-day corporate viewpoint, the medicine is not too awfully bitter because:

(1) Like Ford's price cut of two months ago (BW-Jan.18'47,p32), the Harvester comedown made a clean sweep of newspaper front pages. And it all happened in time to get into the well-studied Sunday press.

well-studied Sunday press.

(2) In fiscal 1946, Harvester's net income was a hefty \$22,326,000 on sales of \$482 million. Harvester thus plainly deemed itself in a position to give customers a break. Observers also think that the step will have a bearing on Harvester's relations with labor. Certainly it reduces the pot out of which wage boosts come, though leaving enough for what McCormick calls "moderate wage increases." But demands for big wage increases could now be less strategic.

(3) Farmers have long memories for folks who give them bargain prices. And competitors who duplicate the Harvester move in the future may find that the shiniest halo already rests on Harvester's head.

(4) The \$20-million cut won't wipe out Harvester's 1947 profits. In the first place, at factory levels the cut is something like \$16 million. Next, by Apr. 1 five months of the fiscal year will be over, reducing the figure to perhapt \$11 million. Finally, after applying a 38% income tax rate, the cut may cost less than \$7 million in after-taxes profits

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ot Across the Board—The industry inpatient to get Harvester's specific ouncements of which items will be need how many dollars, so that it can nate the reductions it may be forced make. Freed from such worry were inpetitive makers of three lines which comick said his company will not:

(1) twine and fibers, recently ed in price to compensate for a withwn U.S. subsidy;

(2) refrigeration, a field in which the company is still thing to get production up to a fitable volume;

(3) iron and steel, in the ressive

rice reductions will not be spread bas all the other I.H.C. lines. Instead, y will be applied on those items are margins are thick enough to percuts large enough for the customer appreciate. The company's managent has no intention of dissipating effectiveness of its price cut by such futile gestures as marking in a \$1,000 tractor by \$5.

Hoyt's Formula: Tradition Plus

Denver Post tempers old flamboyance with modern publishing ideas in Palmer Hoyt's first year as publisher. Dominance throughout 13-state "Rocky Mountain Empire" is his goal for the future.

Palmer Hoyt (cover) has combined the colorful background of the flamboyant Denver Post with modern newspaper publishing practice—and made it pay off. In 1946, his first year as its publisher (BW—Feb.16'46,p26), the Post hung up a new record for gross income, came very close to setting one for net.

• Big Ambitions—But the irrepressible Hoyt isn't satisfied. He enters the second lap of his five-year contract with the announcement of his intention of making the Post "the best newspaper anywhere."

He is rushing work on an elaborate new plant. And he has staked out as Post territory a huge area which he designates as the "Rocky Mountain Empire." This bland appropriation of a region extending from Houston to Omaha, Fargo, and Great Falls, and embracing nearly one-fifth of the United States' area, has provoked much comment and publicity. Editors of a number of papers within this domain have

objected with understandable vehemence.

• Precedents—Hoyt intends to build his paper to dominance in accord with the tendency toward fewer and stronger dailies. He would rule the roost from his Denver headquarters, as the Cowles brothers do in the Des Moines area and as the Kansas City Star does in its territory.

The Post strategist draws his battle lines with little heed to the Rocky Mountain News, the tidy morning tabloid which shares the Denver business. The News, a Scripps-Howard paper, is burdened and blessed by the peculiarities of absentee ownership. Moreover, it does not hold the place in the hearts of a hearty populace which was earned by the rambunctious Post long before Hoyt took over.

• "Bon and Tam"—The Post was the ultimate masterpiece of Fred G. Bonfils, one-time gambler, and Harry H. Tammen, one-time bartender. These rowdy characters specialized in boxcar type, lurid treatment of news, violent attacks on anyone who incurred their displeasure. It was a paper to be relished by a furbearing miner, sitting in red flannel underwear before a fire of pine logs, while gnawing at a hunk of bear meat.

With the passing of Bonfils and Tammen (BW-Sep.1'45,p52), the Post lost its inner fire. Helen Bonfils Somnes, daughter of the colorful Fred, and E. Ray Campbell, attorney for the Tammen estate, chose Hoyt to revitalize the paper and adapt it to the more subdued taste of this era.

• Spirit Retained—Hoyt has altered the Post without discarding its symbols of goodwill. He has gained about 100 columns weekly by such economies as reducing the size of head type. But he has retained the pink complexion of page one which made the Post recognizable across a five-mile gulch.

He has added an editorial page and numerous other new departments. These improvements have been paced by a 50% increase in staff. Meantime he has hiked the price to 5¢ from 3¢.

Putting his fairmindedness into practice, Hoyt made space for minority opinions. Nisei Japanese and spokesmen for other groups have been recruited for the staff. More men will be hired when Hoyt completes his news and business organization for the 13 states of his adopted empire.

• Bottleneck-Saturation of this region with roseate Posts will have to wait on



stice, responsive to an invitation, has long made its home on top of the enver Post building. And when the Post moves, Justice will move too.

How to Get a Good Press-Publish It









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Rep. Joseph W. Martin, Jr. Sen. W. Lee O'Daniel

Sen. Harry F. Byrd

Sen. Arthur Capper

Few men can testify more feelingly to the might of the pen—or type-writer—than legislators. At least six of them have made sure of a good press in their home territory. Their secret is simple: They own, publish, or edit one or more of the local papers.

The roster of congressicnal newsmen includes some of the best-known names on Capitol Hill. Among them are to be found both Democrats and Republicans:

Speaker Joe Martin has long owned and published the North Attleboro (Mass.) Chronicle. Sen. W. Lee "Pappy" O'Daniel

Sen. W. Lee "Pappy" O'Daniel of Texas contributes a column to a sheet carrying his own name; his wife edits it.

Virginia's Sen. Harry Byrd is owner-publisher of the Winchester Star and Harrisonburg Daily News Record.

Capper weeklies and dailies are well known in Kansas, where Sen. Arthur Capper bought the Topeka Daily Capital some 50 years ago.

Daily Capital some 50 years ago.
Sen. William F. Knowland is assistant publisher of the Oakland (Calif.) Tribune.

Sen. Clyde M. Reed edits and publishes the Parsons (Kan.) Sun.







Sen. Clyde M. Reed

supplies of newsprint. Circulation was frozen during 1946 at roughly 200,000 daily and 300,000 Sunday. Both circulation and advertising could have been greatly expanded had paper been available.

The space saved from heads has been honestly divided between news and advertising. Nine-column want-ad pages, a gold mine for profits, accommodated 1,030,000 items during the past year.

• Traditions—In the new plant that is to materialize his visions, Hoyt has preserved a number of Post traditions. The

old home in Champa St. flaunted evidence of Bonfils-Tammen showmanship. It was surmounted by a buxom figure of blindfolded justice. This lady shared space with an American flag which was floodlighted at night. The paper had two flamboyant slogans: "O Justice, when expelled from other habitations, make this thy dwelling place"; and "'Tis a privilege to live in Colorado: one mile above sea level."

Being a good showman himself, Hoyt is transferring all these trademarks to the new location, For its expanded production the paper has acquired the story Temple Court Building and adjoining Home Public Market. As ond story will be added to the man and the whole transformed into a mern newspaper plant. Cost of the buildings was \$608,750, and the total out of the expansion program will approx \$2,500,000.

The 24 new Goss presses will be a to turn out 360,000 32-page papers hour, or 180,000 64-page papers. I rotogravure and magazine sections, magazine sections.

nted in the new plant on new roto color presses.

pistribution Plans—By the time these ats really get rolling, Hoyt expects have a distribution system worthy of routput. His delivery difficulties unique, since his "empire" includes ast, lonely plain-and-mountain ter. Here the Post will intensify the plance which has long made it e" newspaper with ranchers, trap, miners, and townspeople generally. Tucks loaded with pink sheets will dout from the new plant's inside

loading platforms for runs up to 200 miles. A system of airplane delivery for remote drops is being considered. Mountain hamlets that now receive their Posts 24 to 48 hours after press time are expected soon to get their news and ads the same evening.

Hoyt admits that you can't deliver a paper over some of these distances and make it pay. But that is another point of the editor-publisher's philosophy. He figures that geographical minorities have their rights no less than political minority groups.

Veather: Key to Steel Scrap

Prices soar as normal marketing practices are bypassed short market. But an early spring may halt rise, help eliminate q-distance buying and swapping for finished steel.

Arrival of an early spring this year y be the best hope for halting the cipitous price rise in steel scrap. A gentle zephyrs could even blow the

per

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te part way down. Quotations, nearly up to the previous ords of 1917, do not look as though a could withstand much pressure for g. Scrap prices are nearly double the A ceilings. They have risen much ter than prices of pig iron or of fined steel. At today's levels, the price scrap is close to that of steel ingots de roughly half of scrap, half of

sormal Marketing Out—The high res are, of course, due to the scarcity crap in the normal distribution chans. Hard winter weather has hurt scrap ections by dealers. Late winter ws also have held down broker purses of scrap.

A contributing reason why scrap is the in the orthodox market is the orthodox practice of swapping scrap steel. A steel mill makes an arrangent with a customer to return the in the generates direct to the mill. In mal times, this scrap usually passes ough a dealer's hands. The mills have in making such tie-ins in order to the supplies and keep out of the tight det. But such diversion shrinks even the market supply on which prices based.

and the Tremiums Get It—Prices have been and to the formation of the properties of t

Recently Florida scrap has been bybe a sing Birmingham on its way to
them steel centers. Much of the
w York and New Jersey scrap, which
d to be shipped almost exclusively
how eastern Pennsylvania mills, is now

going to Pittsburgh. Buffalo is losing some of its Rochester scrap to Youngstown mills

• Quotations Vary—These out-of-theordinary practices have resulted in three price levels at the same time. One is the "official" or market quotation which is generally followed. A higher price level is in effect for "remote" scrap. A lower level obtains in the scrap-for-steel deals; sometimes those prices are as much as \$10 below the quoted figures.

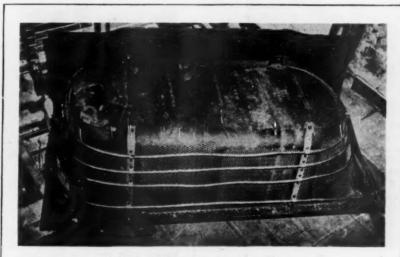
A major railroad, needing steel, last week, "traded in" its heavy melting scrap to two Pittsburgh and Youngstown mills at \$38 a ton. The road had been offered as much as \$44 for it.

An early end to winter would have two good effects on the scrap price situation. One, it would mean that the lake movement of ore could start earlier. This would make it safe for the steel mills to use more pig iron and less scrap in making steel. Second, it would make scrap collecting easier. Dealers are much more enthusiastic about going out into the country for junk when the weather is good. And there is believed to be a big supply of scrap untouched in farm areas.

• New Sources—While waiting for the weather to improve, other scrap sources are being tapped. The federal government is promising to provide about 500,000 tons of scrap in the next two months. Some of this will come from Army and Navy depots, some will be battlefield scrap from Germany, and some will be from war surplus inventory.

The ship-breaking program is in high gear, with returns of 40,000 tons a month (BW-Mar.8'47,p10). It is the only program sponsored by Uncle Sam that can be depended upon to provide a steady flow into 1948.

Another hope is being pinned on an increase of scrap from big users of steel who have not yet hit high production. The auto industry is the best example. If it should ever produce at its advertised postwar rate, the scrap bundles from Detroit would be a joy to any steelman's heart.



PREHEATING THAT COLD BATHTUB

Not quite a fur-lined bathtub, but close to it, is this one developed by Chase Copper & Brass Co., Waterbury, Conn. Four coils of copper tubing linked to the house radiant heating system encase the tub, take off the icy winter chill. The tubing is covered with an inch layer of cement plaster. The tub thus helps heat both the bath and the bathroom, relieves the drain on the household hot water supply.

Home Rush Ends

Prices of existing houses to fall this year in most cities, realtors' survey indicates. But business properties to rise.

The National Assn. of Real Estate Boards—as all national associations will—took a look around through the eyes of its members and came up with a

Its principal conclusions: The great home-buying rush is over; prices of existing homes will decline in most cities during 1947. But business property values and rents will rise in many localities

• Trend Seen—The extensive survey confirmed and documented from 475 cities in 45 states a trend which shrewd observers had foreseen in the home market (BW—Oct.19'46,p15).

The association's report did not go into the reasons for buyers' resistance to higher home prices. Neither did it cite any specific examples. It did, however, give a wealth of comparative percentages. Of the reporting cities:

Of the reporting cities:

• Members in 53% said home property values would drop; 36% said they would stay the same: 11% thought they would continue to rise.

• Members in not one over 500,000 population looked for higher home prices. Only 3% over 100,000 looked for rises

• Members in 63% said volumes would dwindle; 11% said they would continue to rise (but none of these in cities over 500,000).

• Reflecting a mood that demand for new homes (BW-Feb.22'47,p17) would stay up, members in a substantial 44% said they expected higher prices for home sites.

• Commercial Real Estate—Outlook on the business property side, according to members of the association, looked like

• 91% of the cities need new commercial building.

• 51% expect rises in prices for "well-located downtown and business property": 4% expect a drop.

erty"; 4% expect a drop.

• 62% expect business property rents to rise: 37%—no change.

Supreme Court Orders Antitrust Case Retrial

Conviction of an employer and union for making an agreement in violation of the Sherman antitrust law is not valid if the jury has not been advised of the protection accorded the defendants by the Norris-La Guardia act, With this judgment, the Supreme Court reversed rulings of the lower courts. It has remanded to the U. S. District Court at San Francisco for retrial the antitrust conviction of several San Francisco Bay area lumber manufacturers and union groups. They included the United Brotherhood of Carpenters & Joiners (A.F.L.), its district council, and the Alameda County Building Trades Council. The vote was 5 to 3, with Justice Robert Jackson not participating.

The government charged the manufacturers and union with boycotting outof-state shipments of millwork into the bay area. It also accused them of keeping prices up by agreeing not to buy or handle millwork made at wages or under working conditions inferior to those in the local agreement.

The high court agreed that an illegal conspiracy under the Sherman act was proved at the trial. But the trial court, the Supreme Court majority held, erred in failing to instruct the jury on applicability of the Norris-LaGuardia act. Under it, individual defendants are entitled to have their participation in the conspiracy weighed by the jury.

Section 6 provides that members or officers of an organization involved in a labor dispute (or the organization itself) cannot be held liable for unlawful acts of other members or officers—except upon clear proof that they themselves

participated in or authorized the illa acts in question.

The case has been argued three to before the Supreme Court. Whether comes back again may depend on a first anything, Congress does to the pris-LaGuardia act.

Texas' Steel Dream May Now Come True

The war couldn't do it, but the property war demand for pig iron may property. Texas with the nucleus of a native tegrated steel industry. The gown ment-owned iron works at Dangers is all but sold to Lone Star Steel of Dallas. The wartime operator of plant was the sole bidder last week has until the end of the month arrange financing for its \$7,500,000 on the \$30,000,000 property.

Although the plant has never produced anything but a little coke might get into iron production year. If the \$12-a-ton bonus which National Housing Agency offers on oput of new plants is continued past second quarter, the company will be that additional incentive.

• Plan for Integration—The Lone plant has been enmeshed in politics since WPB approved it in 1942. I layout included a \$24,000,000 blast nace (1,200 tons a day capacity) a coke oven, plus an iron mine at Dain field and a coking-coal mine in nach oklahoma costing \$6,000,000. Idea that \$40,000,000 worth of steelmals facilities would be added later, proving Lone Star with an integrated steplant using local materials.

But by the time the iron works finished in 1944, the push for steel over, and the blast furnace never

Early this year, War Assets Admit tration put up the entire Daingens works for sale, in whole or in pay with a provision that any buyer of Oklahoma coal mines must supply be Daingerfield and the Sheffield Steel plant at Houston.

• Short-Term Market—Lone Star pects to be making coke this month a is shooting at mid-May to start making. Before it gets to full-capacity of ation it could run into trouble on a ing coal. Its mines can't meet the needs of Houston and Daingerfield, a it has to rely on some purchased coal.

The company recognizes that it's of the present shortage of iron who makes it possible to run as a merch producer. Plan is to skim the crea market of the next three to five wand meanwhile to invest about \$40 n lion in facilities for making and finishisteel. Then, when the iron boom droff, Lone Star figures on supplying star products in the Southwest.

EASY PAYMENTS



It's getting easier to live in an automobile. Even today, without leaving your car, you can bank, post letters, and attend movies. Automobile telephones are becoming available, too. The newest addition to the trend appeared recently in Indianapolis, where Indiana Bell Telephone Co. has set up its own curb box so that you may pay your phone bill from the car seat.

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words we put in this baby's th express the present need of ,000 Americans. And here's being done about it-

res are again stocking your pick tyled, long-wearing suits, dresses,

tories spinning, weaving, knitass-producing miles of woolens, rayons, nylons-for work, vacaery season and occasion . . .

boratories developing hosts of new

wonder fabrics-lightweight and durable, warm, cool or rain-repellent-made from wood, air, milk, coal, petroleum and glass!

The whole vast textile industry is in high gear!-aided by new machines and equipment from Allis-Chalmers that help the chemist, the weaver, the processer and manufacturer bring quality of your wardrobe up and cost down!

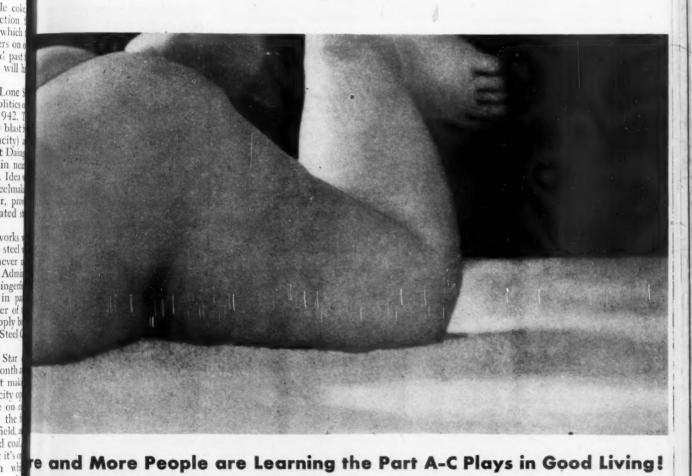
Chances are that anything you wear, use or enjoy is made with the help of Allis-Chalmers. For machinery stamped

A-C is busy in every basic industryhelping to produce better, cheaper products for American good living.

Through a century of service, Allis-Chalmers has won the confidence of engineers and executives the world over . . . today, is one of the "Big 3" in electric power equipment-biggest of all in range of industrial products.

Engineers in every industry look to Allis-Chalmers equipment for efficient, economical, long-life operation.

Allis-Chalmers Manufacturing Co., Milwaukee 1, Wis.



e and More People are Learning the Part A-C Plays in Good Living!











Does your office ever look like this?

Phones and doors seem to multiply—when a man starts to dictate to his secretary.

Frequent interruptions are not only an annoyance. They're costly. Your thoughts are sidetracked! Valuable ideas are lost before they can be put down in black and white!

And that's why, today, so many smart businessmen are switching over to Electronic Dictation!

The Dictaphone* Method straightens your thinking cap

Alone, relaxed—protected from interruptions—your thoughts are as clear as a bell! Dictated into the handy microphone, they quickly become vital sentences.

A Dictaphone dictating machine at your side means that your secretary is outside your door to ward off visits and phone calls while you dictate. She can get her other work done, too!

And she can transcribe your dictation at leisure—instead of decoding a book-full of shorthand after hours! Electronic Dictation doubles your secretary's working ability, as well as your own.

Call your Dictaphone Representative for



a demonstration. For descriptive literature, write Dictaphone Corporation, Dept. D-3, 420 Lexington Ave., New York 17, N.Y.

D-3, 420 Lexington Ave., New York 17, N.

DICTAPHONE Electronic Dictation

*The word DICTAPHONE is the registered trade-mark of Dictaphone Corporation, makers of Electronic and Acoustic dictating muchines and other sound-recording and reproducing equipment bearing said trade-mark. which operates on any appliance cincuttlet, contains imbedded coils wap around a heavily insulated, porcel enameled oven lining. For trying boiling, a surface unit assembly is serted into a built-in receptacle in bottom of the oven, leaving the odoor open. For broiling, the assem is inserted into a receptacle at the of the oven and the door closed to "broil-stop" position. Over-all height the unit is 42 in.

Availability: Town & Country, im diate delivery; Universal Bantam, liveries scheduled for second quait 1947.

Brilliant Projector

Eastman Kodak Co., Rochester N. Y., has announced a new side protor which is designed to yield increascreen brilliance. Known as Kodas Projector, Master Model, the mach is supplied with a 1,000-watt lamp,

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though any of four other bulbs of l wattage can be used.

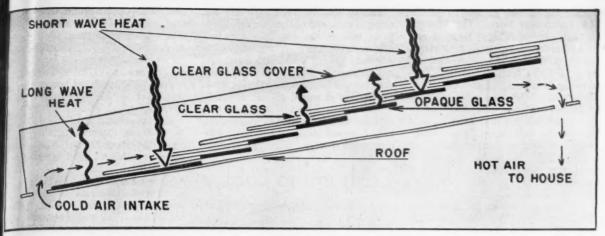
Projection lenses and the interchar able condenser lenses are coated wit thin layer of magnesium fluoride to duce internal reflection and increlight transmission. Heat-absorbing g is used in conjunction with a fan to duce temperature. Air is forced past lamp, condenser system, and both si of the transparency. Slide temperature said to be no greater than in magnetic projectors using projection lamps raas low as 150 watts.

Availability: Deliveries begin in A

Sniff Tester

Commercial availability of Croc Henderson Odor Classification Set announced by Cargille Scientific, li 118 Liberty St., New York City. I set consists of 32 vials of "standa odors with four-digit numbers to id tify them. Any odor can be classified numbered by means of the set. O values are judged by reference to

BUSINESS WEEK . Mar. 8,



In the University of Colorado's heat collector, cool air from the house is admitted at the left. Heat from the sun's rays warms the darkened glass plates, and these in turn heat the air. Warm air passes into the house again.

Solar Heating on the Beam

Two major research projects make progress in trapping sun's rays to help heat homes. Colorado experiments cut fuel bill 20%; M.I.T. concentrates on "storage" problem.

Old as science itself is the dream of apturing the sun's energy for useful work. For scientists know that the sun showers far more energy on the earth than is produced by all the hydroelectric, oal, and oil power installations combined.

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Chief interest at present is centered on one application—house heating. And incouraging progress is reported on two major research projects, one at the University of Colorado, the other at Massachusetts Institute of Technology.

• Two Approaches—At Boulder, Colo., agreenhouse-like solar heat collector, in-

stalled on the roof of the home of one of the U. of C. experimenters (picture, below), cut the fuel bill some 20%. Savings of perhaps 60% are anticipated with an improved design incorporating a method for storing heat for night use.

Scientists at M.I.T. have erected an experimental house whose south wall is the heat-collecting surface. And their principal effort is directed toward improving methods for storing the trapped sunbeams.

 Architectural—The problem of designing houses which could capture heat from the sun has intrigued architects for years. Mostly the experiments have been a matter of placing large window areas on the southern exposure of a dwelling. By ingenious use of wide eaves, architects have endeavored to keep such windows shaded in the summertime, when the sun is high in the heavens, yet have them exposed to sunshine in the winter (BW-Aug.28'43,p64).

Success of these studies, while encouraging, has been tempered by additional problems which inevitably develop. For example: uniform distribution of heat over such a house; fading of draperies and rugs in sun-exposed rooms.

• Engineering—The U. of C. and M.I.T. projects represent an engineering rather than architectural approach to the problem. What is sought is a solar "furnace." And because the "furnace" would operate only while the sun is shining, means of storing heat must be worked out.

The Colorado project was started dur-



Solar heat, trapped by the "greenhouse" roof on a Boulder (Colo.) home, cut the occupant's fuel bill some 20%.

ing the war at the instigation of the War Production Board. The thought was that solar heat might come in useful if fuel or transportation shortages developed. Work is being continued under a two-year research contract supported by American Window Glass Co.,

Pittsburgh.

• Like a Greenhouse—The device developed to collect the heat (sketch, page 21) uses the well-known "greenhouse" principle. Ordinary glass is transparent to visible light and to shorter wave infrared heat waves in sunlight. But it is impervious to longer wave heat rays. Sunlight shining through the glass roof of a greenhouse warms the objects inside. These objects then reradiate longer wavelength heat rays. Unable to penetrate the glass and escape, they remain inside and warm the entire interior.

The Colorado solar heat furnace consists of a glass-covered shallow box, mounted on the house roof. Beneath the glass cover are mounted a series of glass plates. The upper one-third of each is covered with black paint. The plates are overlapped like shingles, but there are quarter-inch air spaces between each

layer.

Sunlight striking the darkened glass warms it. But the reradiated heat cannot escape through the glass cover, and air temperature in the box rises. This air, heated to as much as 200 F, is piped into the house heating system.

• Storage Next?—Installed in the home of Dr. George O. G. Lof, associate professor of chemical engineering at U. of C., the unit will keep the house warmed to 70 F even in sub-zero weather—as long as the sun is shining. In cloudy weather, at night, or when snow covers the collector, Lof has to use his conventional furnace.

Researchers now are studying the possibility of adding a heat storage system. This would consist of an insulated chamber of about 15-cu. yd. capacity, loosely filled with solids such as dark sand,

gravel, or coke.

Possibilities for successful use appear greatest in areas south of the 40th parallel (this parallel extends across the country from Philadelphia to a point 150 mi. north of San Francisco). The unit (with heat storage) could also be used to operate an absorption-type of air conditioner to cool a house in summer. It could give hot water for a family on a year-round basis. (Solar heaters have been used in the south for years to provide hot water.)

New Heat Trap—At M.I.T., researchers are picking up a study which was interrupted by the war. Prewar emphasis was on a roof-type heat collector.

In the new experimental house, the heat trap has been moved to the south wall. It consists of two-quart and gallon-size metal cans piled inside the floor-to-ceiling glass outer wall.

Studies are concerned with size and shape of cans, and of the types of liquids to be used in the cans to absorb and hold solar heat.

 What About Windows?—Successful application of the M.I.T. solar "furnace" would have drastic effect on house design. For it would all but eliminate windows from the south side of a dwelling—and that is the side to which architects normally allot the maximum window space.

Cash in the Lobby

Movie theater operators may add phonograph records and cosmetics to candy and popcorn—already big profit-makers.

Candy and popcorn sales in the lobby have long been an important source of additional revenue for the movie theater operator. Now, threatened by a decline in box-office receipts (page 31), some operators are considering adding other merchandise which could be handled without appreciable increase in overhead.

• Maybe Even Cosmetics—Phonograph records seem first in line for a tryout. They have a logical tie-in, they are easily handled, and they are presold by juke boxes and radio programs. Other likely products are popular-priced cosmetics and toilet articles.

One theater chain executive has suggested that lobby displays of such goods be tied in with advertising trailers plugging them on the screen.

Substantial Profits—Promotions such as these would add substantially to

candy-and-popcorn profits, which already total-millions of dollars annually. In deluxe, first-run houses with adult cliented paying about \$1 admission, candy and popcorn sales average 3% to 6% of the weekly gross of \$12,000 to \$30,000. But in small, neighborhood houses they are proportionately higher: from 12% to 25% of the box office.

Since these sales involve little increase in operating expense, net profits an figured at about 25%. In lean times many an exhibitor paid his rent from

lobby sales.

• Margin Favors Popcorn—The wartime candy shortage prejudiced many theater operators in favor of popcorn. It was a bonanza in 1941 and 1942, when the price of corn allowed an 8¢ profit on a 10¢ bag. Even later, when higher comprices reduced the profit to 5¢ or 6¢, it was still more profitable to sell popcom than candy.

Most major circuits and many independent exhibitors operate their own candy counters or vending machines and purchase supplies from wholesalers. Others farm out the candy concession to a vending machine and take 25% of

the gross.

• Huge Volume—In either case it's no small-time business. In one large theater circuit, candy and popcorn sales average a 5¢ purchase for every admission.

Another chain estimates that one out of eight patrons buys candy or popcom. Still another, with more than 500 houses across the country, showed annual net profits of over \$500,000 for its candy department even during the war when candy was scarce.

Paramount acknowledges that its gross intake from lobby sales in its 1,900 theaters runs into millions of dol-

lars annually.



Profitable popcorn gets top billing over candy on elaborate lobby sales counters devised by Intermountain Purchasing Division of National Theater Corp.

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In business after business, Burroughs has won the respect of those responsible for efficient handling of figures. They turn to Burroughs first—because they have learned that Burroughs is first in meeting their needs: First in Machines... with the most complete and flexible line, the latest time-saving features, the most modern machine developments.

First in Counsel...with thorough knowledge

of procedures, most progressive ideas to meet changing conditions. First in Service . . . with the best trained service men, the finest service methods, the most convenient service arrangements.

These three factors underlie the satisfaction that Burroughs offers to business, large or small. The stepped-up tempo of Burroughs research and development will continue to reward Burroughs users with the finest in machines, counsel and service.

Burroughs Adding Machine Company, Detroit 32, Michigan.





T's a mistake to forget Cyclone Chain Link Fence—whether you're a would-be burglar or a plant execu-

For Cyclone Fence gives plants the finest protection obtainable . . . and it's not hard to see why: Strong construction of special-analysis copper-steel fabric—galvanized after weaving for complete weather resistance. Special design of framework, to keep the whole fence always taut and true. And expert installation-by Cyclone's own trained crews-to assure you a fence

that's firmly supported against the stresses and strains of long service.

To help you choose the type of U·S·S Cyclone Fence which fits your particular requirements, send for your free copy of our new factbook, "Your Fence". Or, if you prefer, have one of our experienced engineers assist you in working out your property protection plans. There's no obligation, of course.

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Wire Recorder

Sears, Roebuck bring out a home recorder built in radio-phonograph. Will be so in Chicago first, nationally late

The radio industry for months expected a major manufacturer to br out a radio-phonograph combined magnetic wire recorder for home Several have announced plans to int duce such models soon, but this Sears, Roebuck & Co. scooped the dustry.

The company said its low-cost recorder and radio-phonograph comb ation, priced at \$169.50, would go sale in its 22 Chicago area stores once. As soon as large-scale factory p duction of the set gets under way, So plans to distribute it nationally throu its retail stores.

• Features-The new Sears' set on bines, in a table model, the wire corder, the firm's private brand Silv tone radio, and a conventional reco player without record changer. The comes with one 31-in. spool of stain steel wire, good for one hour of or tinuous recording. Recordings can "erased" and the spool used over a over. Buyers who want to build up library of wire recordings can get ad

tional spools for \$3.98 at Sears' ston Attractions of the home wire-reco ers for prospective buyers: permane recordings of the family's voices; recor ings of favorite radio programs; recordings from discs. Wire-record owners will be able to borrow expensi record albums and re-record them low-cost. This prospect has been givi disc makers the chills for months. Reproduction—Sears' claims high fid ity and good tone quality for its w recorder. Other radio manufacture reportedly favor paper tape over wi

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of handling. Sears' set uses a wire recorder ma under patents held by the Armour I search Foundation of the Illinois Ins tute of Technology by the St. Georg Recording Equipment Co., New Yor

for recordings, because of its greater ea

Other radio manufacturers are known to have wire-recorder combination se close to production. Included are Stron berg-Carlson Co., Scott Radio Co.

MOTORCYCLE IMPORTS UP

The British are coming-with motor cycles. In prewar 1940 they shippe 378 into the United States. In postwi 1946, the figure was 9,400, equivalent to about one-third of U. S. production and valued at \$2,206,729. America producers have complained to Washin WI

USIEST MEMBER OF THE GROUND CREW the Universal 'JEEP'



The Universal 'Jeep' saves us time, ightens our work and is economical operate," says Link Laughlin, in harge of operations for National kyway Freight Corp., the "Flying give liger" line. "We wouldn't be with-ths. ut one, and we recommend it to any rm in need of a vehicle that is asily adaptable to various types of aulage work."

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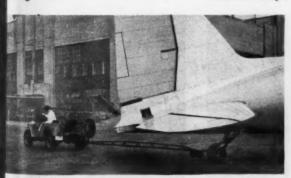
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Serving airport ground crews is just one of many jobs the versatile Universal "Jeep" is doing for business and industry.

Its maneuverability, the power of its "Jeep" Engine and 2- and 4wheel drive, its usefulness as a pick-up truck and tractor, its power take-off for belt work make it an efficient, economical vehicle.

UNIVERSAL



TOWING PLANES is easy work for the 4-wheel-drive "Jeep," which pulls a 2½-ton trailed payload at highway speeds. High maneuverability makes the "Jeep" as handy in plants as it is in a hangar.



THE VERSATILE "JEEP" can be used as a light tractor for mowing flying fields, factory lawns and parks. Its power take-off can operate portable welders, air compressors and other industrial equipment.

WILLYS-OVERLAND—Makers of America's Most Useful Vehicles



ton, hoping for a higher tariff obstacle. Of course, Britain's economic mess may play into the hands of the U. S. industry.

What lets the British in, despite a 10% tariff (15% on parts), is the tremendous postwar demand which is caused partly by the automobile shortage. The two American makers, Indian Motorcycle Co. and Harley-Davidson Motor Co., are unable to meet it.

The light, snappy British models may be pleasing U. S. riders a little too well for the comfort of the home industry. Americans are not much interested in the low gas consumption of imported models, but they do like their agile performance and easy handling.

formance and easy handling.
U. S. manufacturers hope that when they can meet the demand, probably some time this year, Americans will again reassert their preference for the heavier, more comfortable, domestic type. Harley-Davidson now makes a model with 45-cu. in. piston displacement-compared with the displacement of 301 cu. in. which is characteristic of most British imports. Indian has not resumed making the 45-cu. in. models it made before the war, is concentrating on 74-cu. in. machines. However, Indian is importing small motorcycles from Czechoslovakia to fill in its backlog. These are approximately one-third the size of American machines.

Whisky Spree

Kentucky alone product more than nation is consumin Curtailment of output or cut prices seems certain.

Highball consumers, enmeshed their own cosy section of the inflati spiral, are applauding current statist on whisky production. Figures in the hills of Kentucky and other disting areas show output at such a high rate that, barring curtailment, price ductions appear inevitable.

With restrictions on corn remove Kentucky's bourbon industry is squeing the utmost runs from its sti (though controls on the use of ryer main). At the current rate, Kentuck distillers alone are producing more that the country is drinking.

• Year's Estimate—In January and Feruary Kentucky distilled 29,800,000 g of whisky. Allowing for the tradition two-month summer shutdown (who drought reduces water supplies), the would mean an annual total of 149 m lion gal. The national thrist is estimated at 125 million gal. for 1947.

Since Kentucky makes about half the total U. S. whisky, the year's potential

For Chair Borne Operation

Pampered music lovers now don't have to fuss with moving the lamp and ashtray from their radio to get at this record player. A built-in "elevator" takes care of everything. Just turn a knob on the dial (left) and up rises the radio top on an electric lift-lamp and all—exposing the automatic player (right). When the records are set, turn the knob again,

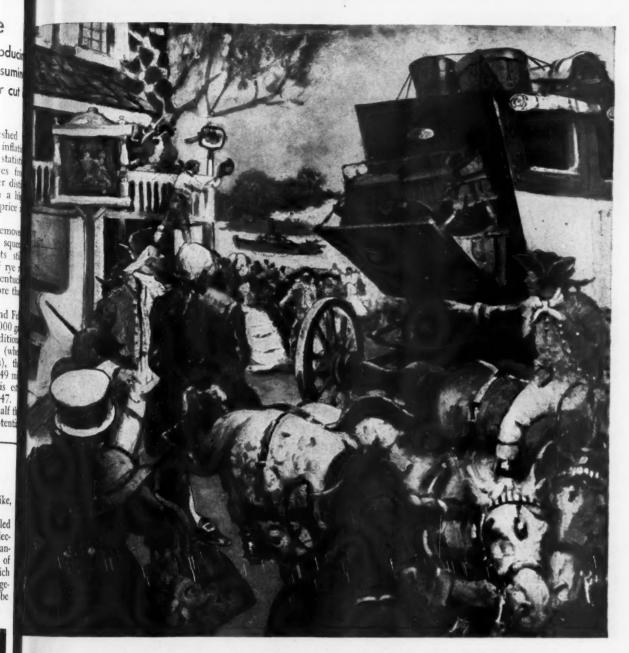
and the apparatus sinks, Erda-like, into the cabinet.

The "Chairside," recently unveiled in Chicago and New York by Electronic Laboratories, Inc., of Indianapolis, is one of a new line of "Orthosonic" machines with which the company is breaking into large-scale radio production. The ten-tube unit retails at about \$350.





e house



*The first boat powered by steam, built by William Henry, and tested on the Conestoga River, near Lancaster, Pa., in 1763.

Management and work were needed to build the first steamboat*

m the genius of William Henry—who iped emancipate man from the drudgery of and labor—would have achieved nothing thout sound management. Maker of the mous "Kentucky Rifle," Henry was also an ice inventor of labor saving machines. In 63, he built the world's first steamboat, that it inspired Robert Fulton. Henry combined magement ability with imagination and orgy to build a successful business. He spifed the qualities that has made America eductive.

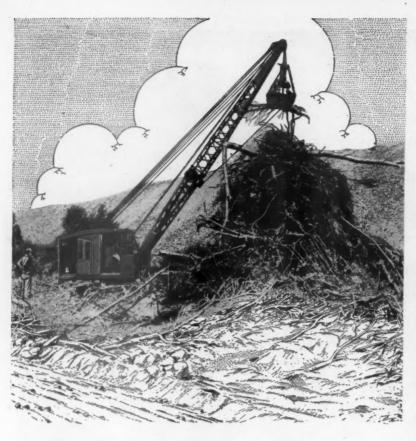
ithout able management to harness our intive genius, and make it useful, our econy would still be back in the stage of primit household industries. Sound management transformed scarcity into abundance . . . has made possible a large population that enjoys the world's highest standard of living. How far we go from here may easily depend upon how well everyone appreciates the old fashioned virtues. Even able management can achieve little unless an honest day's work is given for a day's wages.

Steam transportation became modern and efficient only when friction in moving parts was conquered. In this development, BOSF ball and roller bearings have played a major role. Made in many sizes and types, BOSF bearings prove in steamships throughout the world that they are:

THE RIGHT BEARING FOR THE RIGHT PLACE



SKF INDUSTRIES, INC., PHILA., PA.



Actions speak louder...

The clamshell crane is no clam. It speaks up for a variety of jobs . . . especially when that strong-jawed bucket gets its grip from Yellow Strand Preformed Wire Rope.

For here's rope engineered to take the squeezing, bending and fatigue encountered on heavy-duty equipment. By preforming wires and strands we have neutralized internal stress and fortified the rope for longer service.

★ Yellow Strand also welcomes a chance to add security to your lifts. Slippery and unwieldy loads yield readily to the limberness, kink-resistance and speedy handling of patented Yellow Strand Braided Safety Slings. The familiar Yellow Strand simplifies identification of both tools. The ropes and slings themselves simplify your drive for low-cost production.

Broderick & Bascom Rope Co., St. Louis
Branches: New York, Chicago, Houston, Portland, Seattle Factories: St. Louis, Seattle, Peoria

YELLOW STRAND



PREFORMED WIRE ROPE . BRAIDED SAFETY SLINGS

appears large enough to threat in prior The industry retorts, however, that if distillers are crowding their schedul to rebuild war-depleted stocks

• Stocks—From a high of 425 milling gal. at the 1942 peak, inventories bonded warehouses declined to less the 250 million gal. in 1945. They have since risen above the 325 million may

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Obviously the output won't be a loaded at once. So price reductions a straight whiskies are not promised if the near future; but the longer the higher production rate continues, the soon the price-cutting climax will come. I the meantime only the well-to-do a afford bonded brands. Others will continue to buy the much cheaper blen in which aged whisky content is list more than flavoring. In this quart there have already been signs of put cutting (BW-Jan.25'47,p60).

• Good Stuff Still High-Bourbon a

• Good Stuff Still High—Bourbon a dicts are told by industry executives there is little chance ultimate cuts where is little chance in little cuts where is little chance in little cuts where is little chance in little cuts where is little cuts where

Insiders point out that the big companies aren't bothered over a buyer strike against the present cost of good bonded liquor. They planned it the way. Until aged stocks again becomplentiful it is much more profitable tuse the seasoned whisky to give blends taste rather than to sell it for consumption as is.

AIR ROUTE DEAL

At least one U. S. airline has a mitted that its eyes might have be larger than its finances. Western A Lines is asking the Civil Aeronauti Board for authority to transfer its Dever-Los Angeles run to United Air Line The deal involves about \$4,000,000.

When the lines announced the move Terrell C. Drinkwater, president of Western, confessed: "Like a good man other carriers, we have been suffering from 'expansionitis,' and we have not been concentrating enough on service to the territory in which we are continued." In the future, he said, Western would put its emphasis on a good north-south service in the Rocky Mountain-West Coast area.

Drinkwater also pointed out that the value of the Denver-Los Angeles to was greater to a transcontinental system. The route would put United in a position to compete with America and TWA on the lucrative New York Los Angeles haul.

rivolity on the Skids

Entertainment industry is already experiencing a postwar ump. All of its branches have lost business in the last few months. hief cause is the drying up of wartime's free spending habits.

So far as most people in the enternment business are concerned, the ag-promised postwar recession is here d now.

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The midnight parade down Broady no longer assumes the proportions a fight for lebensraum. In big city ght spots \$2 to the headwaiter will you a table on the perimeter where took \$10 or more six months ago. It sometimes even possible to pick up a uple of tickets for "Oklahoma!" a few ours before curtain time. To the musement trade these are unhealthy months.

mptoms.

Placing the Blame—In copious stateents to the press, entrepreneurs are acing the blame on the 20% federal cise tax on amusements. Privately, ost of them concede that even if the x had been repealed (Congress has ecided to continue it indefinitely) the ove would have provided no more an a temporary stimulant. The sad with seems to be that people just aren't pending their money as freely as they id during the war and immediately

Estimates are that perhaps as high as 1% of the restaurants, cafes, and night obts which offered some form of entrainment a few months ago have now iscontinued it. However, this figure induces places where the show consisted a piano player spelled by a juke box;

now the juke box does the whole job. San Francisco is the only large city where big night spots are closing down in noticeable numbers. The city has lost the soldier and war worker trade; and it still has a 12 o'clock closing, permits no Sunday business.

• Employment Cut—The American Guild of Variety Artists, with 52,000 members, estimates that employment of entertainers is off some 10% to 15% from the peak levels of six months or so ago. The nature of the industry being what it is, this doesn't mean that many artists are permanently out of work; it does mean that the average artist gets fewer or shorter jobs. Agencies estimate that cuts in most artists' incomes have ranged from 10% to 25% over the same period.

It will be a while, however, before any large number of entertainers are driven to giving performances on street corners. Before the war, for example, a girl singer would average \$60 to \$75 a week in the lowest type of night club, affectionately known to the trade as a "puss-bag." The better spots paid \$85 to \$100. During the war the latter figure skyrocketed to \$275 or \$300 for run-of-the-mill talent. It has now come down to around \$150 or \$175. A master-of-ceremonies who thought himself lucky to nail down an engagement at \$60 a week in 1939 might have been



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The nation's nightspots, such as New York's 52nd St. (above), fear that the inking feeling in the pit of their stomachs may become a chronic hangover.

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pulling in \$375 a few years later. Hi salary, likewise, has now been reconverted downwards.

• Big Names Tried—Faced with business off 25% to 35% from recent high some night clubs have tried to bait the hook with bigger and bigger names. At example is the Copacabana in Miam which has offered Danny Kaye and Mickey Rooney this season.

Generally, the trade looks askand on the big-name policy, on the theorethat a good many clubs are likely to fal flat on their bankrolls outbidding one another for stellar attractions. Cover charges or minimums, of course, must be boosted to pay the cost of the big names. And pretty soon, the skeptic argue, the public will stay away in droves, figuring that you can't get out of any nightery without picking up a \$30 check.

Consequently, most night clubs now are following the reverse policy of trying to hold down costs and cut the tariff. The minimum at New York Copacabana has recently gone from \$3.50 to \$3, for example.

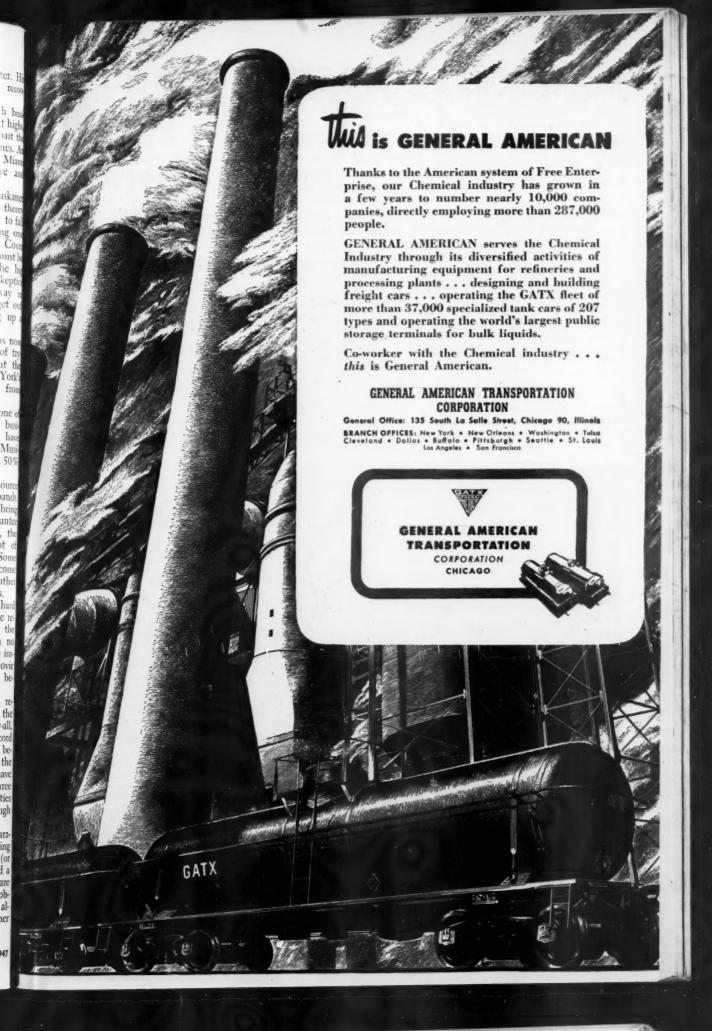
• Band Slump—Dance bands are one of the hardest hit segments of the business. Several big-name leaders have broken up their large orchestras. Musicians' salaries are down as much as 50% in some cases.

One-night stands are a major source of revenue for nationally known bands. But it takes a lot of money to bring them to town. To cover his guarantee to the band, and other expenses, the local promoter has to sell a lot of tickets at pretty fancy prices. Some haven't lately, and many have become wary. Then, too, recent bad weather hasn't helped the one-night stands.

• Movies, Radio, Too—Another hard blow to entertainers generally is the retrenchment now under way in the movie and radio industries. With no more excess-profits tax to soften the impact of soaring production costs, movie producers and radio sponsors have begun to count their pennies.

The movie industry particularly, remembering the bank nights of the 1930's, is tightening its belt. Overall, box office receipts are still at record levels. But the first-run houses have begun to feel the pinch. Grosses at the big Broadway movie palaces have dropped about 20% in the past three months. First-run houses in other cities also have experienced a slump, though not as bad as New York's.

A fortnight ago, New York's Paramount Theater slashed its morning price to 55¢ from a previous 70¢ (or higher, when the attraction promised a long queue). Competitors say they are sticking to their prices. But some observers report that Paramount has almost tripled its business while the other houses are hawking empty seats.



Atom Control: Personnel and Policy

Nuclear activity is under complete government control. Many domestic and international factors affect commission's acts.

When Columbus discovered land beyond the Atlantic, when Magellan circumnavigated the world, the insiders weren't very much surprised. Learned Europeans had assumed for centuries that the world was round.

Similarly the atom bomb wasn't too startling to people who had been paying attention to what was going on in physics. The theoretical possibilities became apparent with the revolution in physics early in the century. And all through the thirties, as one energy-releasing transmutation after another was demonstrated in the laboratory, it was evident that the researchers were close to the edge of a basic discovery.

close to the edge of a basic discovery.

But the political decisions precipitated by the discovery of how to release atomic energy have been truly astounding.

ATOMIC PROGRESS-II

To the American businessman, atomic energy is a subject of awesome portent. As a weapon of war, its capabilities are horribly apparent. As a source of electric power, as a tool for industrial, biological, fundamental research, its potentialities are enormous.

Just what are these potentialities? What are the facts that a businessman should know if he is to plan for a future which may be drastically affected by atomic developments in his field? To get the facts, Robert B. Colborn of Business Week's Washington Bureau has conferred with scientists, industrialists, atomic leaders.

This is the second of four articles comprising an Atomic Progress Report to Business Week readers.

• Paradox—Final development took place in a country which, more than any other, stresses private enterprise as the key feature of its economy. But paradoxically, this new and far-reaching technology was immediately and almost unanimously seen as a thing which had to be socialized. There was no serious dispute in Congress last year as to giving the government complete control over

the new industry; the May-Johnson and McMahon bills both did that. The fight was over the secondary question of what branch of the government should exercise the control.

More, the idea is being taken senously that introduction of such a fundamental new factor into the world's economy is a matter for the organized efforts of the entire human race. The



Approved by the Senate Atomic Energy Committee, the Atomic Energy Commission at midweek awaited senatorial confirmation to assure its continuance as high atomic command. Members, left to right, are (seated): William W. Waymack, Chairman David E. Lilienthal, Robert F. Bacher; (standing) Lewis L. Strauss, Sumner T. Pike.

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K-RAY VIEW

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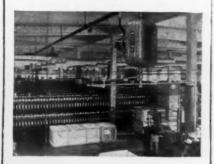
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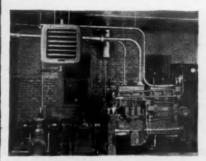
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Col. Walter J. Williams, Production

U.S. government is officially sponsoring a proposal to create an entirely novel form of political instrument for international socialization of the atom.

• No Surprise—It's hardly surprising, therefore, that confirmation of the membership of the Atomic Energy Commission set off a senatorial battle rather more bitter than that over the basic legislation. The confirmation question gave Congress and industry a chance for a second look at the problem—after appreciation of the sweeping nature of the issues had become clearer.

I. SOCIALIZED INDUSTRY

By the terms of the McMahon Atomic Energy Act (BW-Aug.3'46,p21), every phase of atomic activity is brought un-



G. Lyle Belsley, Personnel

der complete control of the government.

• Monopoly-Key activity is the manufacture of fissionable material-plutonium, or uranium which has been enriched in its fissionable isotopes, U235 or U233. This is a complete government monopoly. It is illegal for a private person to own any fissionable material or any equipment capable of producing it. Only exception is that equipment capable of producing negligible quantities may be used for private research purposes, subject to a government license.

All patents in this field are wiped out. No patent can be granted on any dis-covery usable solely in production of fissionable material. Any such patents previously existing have been canceled. Moreover, all patents are nullified as far as production of fissionable materials is concerned; any patented article or process may be used without regard to the patent. Anyone who makes a discovery in this area is required to bring it to the commission, which will appraise its value and pay him accordingly. • Licenses Needed-Private ownership of uranium, thorium, or high-quality ores of these materials is still legal, but all dealings in them, once they leave the ground, are subject to a license from the commission, AEC may requisition or condemn such materials or any land containing deposits of them.

Private ownership and operation of devices using atomic energy are also legal—but only if the commission grants a license for them. It's entirely up to the commission whether it will grant a license; no standards are set except the public welfare and security and the maintenance of free competition.

At present, no such devices exist. The only atomic engines ever built are the piles, and all existing types of piles manufacture as well as utilize fissionable material. Types of piles which only utilize are possible; these would use "denatured" material for fuel. That is, the fissionable element would be mixed with some inert substance which would make its use impossible in a bomb. Whether such piles would be economic in comparison with conventional piles is a question.

• Nonexclusive Patents—Patents on utilization of atomic energy for non-military purposes are permitted. However, no one can sew up the field. The commission is empowered to require that any such patent be made available at a reasonable royalty to anyone who holds an AEC license.

The commission itself may also finance or carry on development of methods to utilize atomic energy. The law says nothing as to how the commission shall handle the applications it develops, except that any power produced may be used by the commission itself, turned over to other government agencies, or sold to public or private



Col. James McCormack, Militan

utilities under contracts providing for reasonable resale rates.

II. A TEMPORARY LAW

Either through ownership or throughts licensing powers, the Atomic Energy Commission has complete control of the rate and the manner of introduction of nuclear technology into industry. And the law leaves the commission almount unlimited discretion.

Congress did not intend this situation to be permanent. The terms of the commissioners all expire in August, 194 This will bring up the atomic energissue again with two years of peacetime experience behind it.

• Congress Can Act—As soon as the AEC judges that any nonmilitary applications of the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that any nonmilitary applications are supported to the AEC judges that are supported to t



Carroll L. Wilson, General Manage

BUSINESS WEEK . Mar. 15, 194



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cation of atomic energy has become of practical value, it must report the fact to Congress, together with its estimate of the social and economic repercussions and its recommendations for legislation. The commission is forbidden to license the application until Congress has had 90 days to act.

For all its powers, therefore, there's a tentative aspect to every decision of the commission. Essentially it's an interim body, carrying on until the situation has settled down enough to permit long-range decisions-domestic and international. Inevitably, however, the present AEC will be setting patterns, creating vested interests, that can't help having an influence on Congress when the time comes for a review of the

The atom is going to be a political issue, and an important one, for a long time to come-taking its place alongside such economic-political questions as public power, taxes, labor relations.

• International Complications-The international negotiations on the atom now making their sluggish way through the U.N. introduce another major element of uncertainty.

If the international development authority proposed by this country is ever set up to manage all the "dangerous" atomic operations, many of the AEC's policies will have to be modified. For instance, an international body could hardly assign operation of such a plant as Hanford to a U.S. business firm; it would doubtless have to use some sort of multinational staff. Redistribution of production facilities in the interest of political balance might easily mean pulling down some plants or equipment installed by AEC

It's harder to estimate the effects of a breakdown of the international negotiations. Conceivably it might mean an end to efforts at peacetime applications of atomic energy in an all-out campaign of weapon development. On the other hand, it might be decided to push an atomic power generation program as an aid to decentralization of industry in preparation for an atomic war.

III. MASTERS OF THE ATOM

One other important factor has, so far, been operating to increase the uncertainty attaching to the commission's decisions. That factor is doubt whether the Senate would approve the commissioners whom the President appointed while Congress was out of session. As "interim appointees," they have full legal powers while awaiting confirmation or repudiation. But the big question has still remained: What will happen to their policies if the Senate rejects them? • TVA Men-In picking key men to run the socialized atom industry, the Adminlistration leaned on the men who got



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USINES

Herbert S. Marks, General County

their training on the Tennessee Valle Authority-an organization whose more than that of any other permane government agency, bears a rough semblance to the assignment facing t Atomic Energy Commission.

AEC Chairman David Lilienthal h been for years the chairman and guidin spirit of TVA. He was chairman also the State Dept.'s advisory committee that did the groundwork on the U. proposals for international atomic of trol (the Baruch plan).

Two of the top staff members a also from TVA. General Counsel He bert Marks and Budget Director Pa Ager came from similar jobs with the

authority.
• From Bomb Project-Of the other staff officials so far appointed, two con from the Manhattan District. The p duction director and manager of fed operations, Col. Walter J. William worked on the construction and open tion of the electromagnetic and gaset diffusion plants at Oak Ridge; before the war he was a utility engineer and civilian employee of the Army eng neers. John A. Derry, assistant to the general manager, was a lieutenan colonel with the Manhattan District Earlier he was a construction engine for the Rural Electrification Admini tration and the Pennsylvania Railroa

Other officials were not directly con nected with the bomb project. Personnel Director Lyle Belsley was executed tive secretary of WPB. Research Dire tor Dr. James B. Fisk comes from the Bell Telephone Laboratories. The mi tary director, Col. (soon Gen.) James McCormack, comes from the Wa Dept. general staff.

AEC General Manager Carroll Wilson (BW-Jan.11'47,p8) was connected wi some of the early stages of the bom work in his spot as assistant to Vanney Bush, head of the wartime Office

ientific Research & Development. for and immediately after the war, its was one of the organizers of a all but profitable commercial remains firm.

Other Commission Members—Aside m Lilienthal, the members of the numission itself have not been much the public eye.

Robert F. Bacher, the only scientist the commission, was one of the leadphysicists at Los Alamos, where the chanism of the bomb itself was de-

sumner Pike and Lewis Strauss are the financial men. Pike has long been meeted with the financial side of lities. He was a Republican member the Securities & Exchange Commism, and acted as director of OPA's fuelice division. Strauss is a New York nker who has had a layman's interest nuclear physics for many years. He is a naval officer during the war, with e rank of rear admiral, and did an out-anding job in the organization of ocurement.

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William Waymack is a public-spirited orking newspaperman. He has held a ng string of editorial and business osts with the Des Moines Register & ribune, and has frequently served in ch quasigovernmental jobs as U.S. oserver at the Greek elections last year.

PATTERN FOR OPERATIONS

Eventually, the AEC will have to deal ith a long string of economic and cial questions: timing the commeralization of atomic processes, working at procedures, setting priorities, easing the impact on competitive industries, tablishing prices. These are still seval years away.

Present Problems—The commission is tively seeking answers to a lot of imediate questions. It needs a patent



Dr. James B. Fisk, Research

policy based on the novel and still uninterpreted provisions of the McMahon act; a consulting group of patent experts is working on this now. The commission has a group of leading accountants trying to work out a decentralized financial system for it which will minimize red tape; objective is a large measure of autonomy for individual units within the limits of an annual budget. A permanent arrangement has to be worked out for the villages around the atom plants which are now completely government-owned; they run fine, but on an entirely paternalistic basis.

On one major point commission policy is fairly well established. AEC will continue the Manhattan District system of operating all its plants and laboratories by contract, rather than as purely governmental agencies. When AEC took over, less than 10% of the 55,000 atom workers were drawing government paychecks. (The rest were on contractors' payrolls.) This proportion is scheduled to decrease if anything.

AEC might not have reached this decision if it had been set up, like TVA, as a quasicorporate organization or if, like RFC, it were empowered to create its own corporations. As it is, however, the commissioners look for a freer-swinging operation under contract arrangements.

• Contract Terms—In some cases the contractual relationship is pretty nominal. The contracting firm may have been especially organized for the job. Or the contractor's connection with the work may hardly extend farther than putting its name on a document and appointing a staff satisfactory to AEC. Here, the practical effect may be pretty close to that of a quasipublic corporation. In other cases, of course, the contractors are very much in the picture, and are exercising a large voice in policy.

Terms of AEC contracts are still treated as secret—a fact which raises some eyebrows. It is known, however, that they are on a nonprofit basis—cost-plus-nothing, or plus a fee of \$1. Cost in these contracts, however, is interpreted rather more broadly than in the standard fee contract to protect the contractor against any possibility of out-of-pocket loss.

• Profit Incentive?—There's some question how long the nonprofit arrangements can be maintained. Many businessmen doubt that the commission can get the wide industrial participation it wants unless it provides for some return to its contractors.

Lilienthal himself says: "Somehow we must see to it that there will be something in it for industry. At the moment, nobody is quite wise enough to figure out how that will happen. During the period when there really is not anything commercially developable here anyway,



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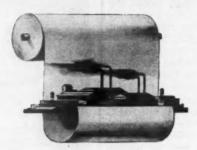


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we have a little leeway. In the meantime a way will develop whereby aspects of that development can be severed and commercialized. I don't see why production of isotopes could not, in the venue of the commercial transfer of the commercia

vate undertakings."

• Competitors Protected—The issue is sharpened by the precautions AEC is taking to prevent giving its contractor too much of an inside track. Chief among these is an advisory or consulting board for each contractor. A range of interested outside firms is represented on the board, which is assigned definite rights under the contract.

This idea was first developed by the university people who have been working out schemes for administration of research; it's now being inserted by AEC into its contracts with industrial firms. Thus the contract covering G.E. operation of the Knolls laboratory a Schenectady not only specifies the members of the advisory committee must be given complete access to G.E. work, but also requires G.E. to appoint to its laboratory staff people nominate by the advisory firms—up to a maximum of 15% of personnel.

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As a result, there's a feeling amon some firms that under the present setu they would be as well off represented of advisory committees as with all the headaches of actual management.

New Prices for Isotopes

Price adjustments on radioactive isotopes produced in the Clinton Laboratories chain reaction pile at Oak Ridge, Tenn., were announced last week.

• Improved methods of producing some of the more widely used radioisotopes and a new basis for figuring costs were responsible. Formerly, prices were based on the amount of neutrons absorbed by the materials being radiated. Now they are based on the space required in the pile. The result: Elements with high neutron absorption are cheaper; those with low absorption are more costly.

Carbon 14, radioisotope which is used widely, was priced at \$367 a millicurie when the original price list was issued (BW-Jul.20 '46,p63); now it is \$50. A millicurie is a measure of radioactivity.

• Other typical price changes include: radiosodium, from \$7.36 a millicurie to \$12; radiogold, from \$7.36 to \$12; radiocobalt, \$31.03' to \$33; radioiron, \$21.50 to \$33.

Radioisotopes are in demand for agricultural, biological, medical, chemical, and industrial re-

search.



AMI: For you I see a journey—it will be to a big building of many rooms, and I feel that this place, it is one place where you really are the guest.

AN: Boy, oh boy! That must be a Statler Hotel!

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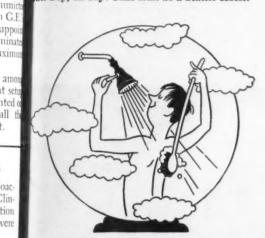
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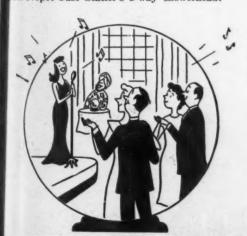
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AMI: I see you in a sparkling white room. There are many towels, much soap, and a waterfall. Wait-you reach up a hand and the waterfall changes its spray. Magic!

AN: Nope! Just Statler's 3-way showerhead!



WAMI: Hah! Look! Music, dancing, beautiful singers! You are smiling. You are enjoying life at this Statler! Hmmm ... who do you think is with you? ME!

AN: O.K., Swami, let's go. I guess everybody likes to stay at the Statler!



SWAMI: Now the crystal shows you sleeping like a baby. That bed, it looks so soft, so very comfortable. But what is this? I see numbers, eight . . . three . . . seven!

MAN: Yep! That's Statler's 837 coil-spring mattress!



SWAMI: Now you are sitting at a table. Many friendly people are bringing much food. Ah, such soups, such meats, such desserts! Just looking makes me faint with hunger.

MAN: Just thinking of those Statler meals makes me hungry!



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STEEL CHAIRS

For Over Twenty-One Years Indoors, It's Still the Curb

Historic New York market didn't lose eccentricities when it moved out of Broad St. Francis Adams Truslow, its new president is fitted by experience to face labor troubles in the offing.

Tie-up of New York City's Cotton Exchange in a one-day strike last week struck an echo heard above the roar of trading on the floor of the Curb Excl.ange. It threatens to create a first major difficulty for the Curb's newly inaugurated president, Francis Adams Truslow.

• On the Sidelines-In the current dispute the Curb is an innocent bystander. The argument involves a drive by United Financial Employees (A.F.L.) against the brokerage firm of A. M. Kidder & Co. A union spokesman announced that as an extreme measure his union was considering 30-day cancellation notice of no-strike agreements with both the Curb and its big brother, the New York Stock Exchange.

Should the menace become a fact, Truslow will find good moral grounds

underfoot for any countermeasure. O Dec. 6 the Curb signed with the United Financial Employees. The contrac promised peace until Jan. 31, 194 Under the agreement, salary increase of roughly 11% were granted to a Curb employees. Object of a strike more against the two stock exchanges would be to put an end to alleged "stalling by member companies on labor nego

• Experienced Hand-Truslow bring unique abilities to the unraveling such entanglements. Being a lawyer in stead of a broker, his judgment isn overly affected by considerations of the trade. As counsel, he handled the water bucket and the arnica for the Curb in some of its hardest bouts with the Ne Deal. He is liked and trusted in Wash ington where he earned the respect of

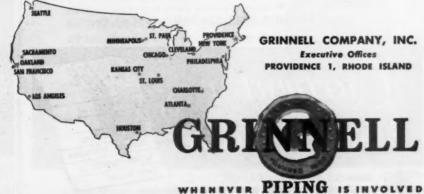


Through Trinity's arches, the new Curb assumes a dignity unknown when it POSTURE CHAIRS operated outdoors. Inside, much of the old-time tumult still prevails



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Pipe and Tube Fittings
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Do you know anyone who designs or builds food processing equipment? If so, our bet is that he could give you several good reasons for using Carpenter Free-Machining Stainless for vital parts.

First, on a job like this sausage linking machine, the parts must be easy to clean and keep clean... to meet sanitary requirements. And they must be easy to take apart and put together again. In addition, the many Stainless parts on each machine have to provide full corrosion resistance and stand up under continuous motion and wear.

And here is another advantage Carpenter Free-Machining Stainless offers you that is of utmost importance—on every one of your jobs! It is uniformly easy to fabricate. From shipment to shipment every bar machines the same! This lowers your unit costs in producing Stainless parts...frees you from excessive tooling troubles, and speeds production!

Whatever your Stainless problem, putting it into Carpenter's hands will mean extra dollars and cents in your pocket. Write us today.

THE CARPENTER STEEL COMPANY, Reading, Pa.



even rabid haters of Wall Street for his work on behalf of the Curb in framing regulations under the Securities Exchange Act of 1934.

The legal association continued, and in 1942 Truslow became the Curb's general counsel. He took leave of absence some months later to assume vital war duties for the government. Japan had lopped off supplies of Far Easten rubber. Truslow took charge of U.S. efforts to wring natural rubber from the upper reaches of the Amazon.

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BUSIN

This and other assignments were handled with skill, and in 194+ Truslow succeeded Douglas H. Allen as president of the Rubber Development Corp. which handled procurement throughout the world. He represented the U.S. in many foreign negotiations. Truslow retired from the Rubber Development Corp. after completing blue-prints for its liquidation. He becomes the second full-time paid president of the Curb at a salary of \$40,000.

• Historic Family—The name Frances
Adams Truslow (pronounced Treslow)
suggests that of the historian and write.
James Truslow Adams. They are first
cousins. Both trace their ancestry to
the schoolmaster Truslow who settled
centuries ago in Bedford, N. Y. But
the historian goes back to the New
England Adams while the attorney goes
back to the Virginia Adams, an entirely
distinct pre-Revolutionary breed.
"We like to think," chuckles Trus-

Francis Adams Truslow, Curb head, may soon have a labor dispute on which to test his gifts as negotiator.

BUSINESS WEEK . Mar. 15, 1947

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Truslow is tall and broad-shouldered, 40 years old. He is a confirmed traver. After covering many vacation miles a this continent, he did some 150,000 hiles on official business in Latin merica, made many trips to Europe and one to Japan. At every opportunity is indulged in his favorite pastime of mountain climbing which with skiing and fishing helps keep down his waist ne. Truslow lists his principal interest some training of a family."

Strange Contrast—Truslow's huge oakancied office and the windows of the Curb overlook the crumbling headstones in the Trinity church graveyard. The ancy quarters are a contrast to the owdy beginnings from which the Curb Exchange gets its name. The Curb moved indoors in 1921 but it retains many of its outdoor personalities.

Curb trading began before the Civil War. The origins are obscure but the ounders apparently were brokers who iscovered they could make more money from unlisted stocks and bonds han from issues recognized by the Stock Exchange. No doubt many of the early Curb pets were stray financial cats and ecurity dogs which felt at home in a friendly gutter.

Operating outdoors in Broad St., the Curb Exchange became the most remarkable bourse in the annals of finance. The crowd of brokers wearing a dazzling ariety of colored hats executed orders ignaled to them by telephone clerks berehed at window ledges above them pictures, pages 48 and 49). So valiable did this window privilege become that building owners built platforms above the first sash where additional olives rented for around \$400 per month ach.

• Secret Codes—For relaying orders to the brokers and for all other communiation the telephone clerks and brokers developed a system of one-hand sign language. It was different from and faster than the standard finger codes used by deaf mutes. The alphabet, figures, and fractions were standardized. But special codes prevented other operators from "overhearing."

Special calls were used to attract attention. One clerk got the eye of his broker by banging on a window with a table knife. Mostly they just yelled. A ommon signal chosen for its carrying qualities was the traditional cry of the vaudeville acrobat:

"Alley—hup!"

The brokers and their buddies had to be rugged. They were on the job regardless of rainstorm, blizzard, or heat wave. A quick duck into a nearby bar would help keep the circulation going in zero weather. Old-timers protest that it was healthy work. Brokers on the floor of



"Snowed Under"

A simple job for the *right* motor—operating a ring-roll mill in a limestone crushing plant. But the picture above shows the destructive power of the abrasive stone dust if the *wrong* motor is applied.

The ideal motor for use under this operating condition is the Wagner totally-enclosed fan-cooled motor, which will give continuous service under the most severe dust, dirt, fumes and moisture conditions.

Wagner electric motors are well known for their rugged

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TODAY'S PROGRESS?

From wartime necessities comes a whole new world of scientific advances. Significant of the travel age before us is Vasano, the Schering Corporation's new antidote for travel sickness by air, sea, rail, or road... and now available for civilian use.

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the present Curb are subject to the normal ravages of colds. One veteran asserts that he never had the sniffer when he traded out in the open on Broad St.

• Try for Dignity—When this boisterous crew was swept off the street and
into its own gilded building (picture
page 44), the exchange authorities tried
to dignify its habits. The sign language
was ruled out as an uncouth relic of the
past. When a telephone clerk needed to
call a broker on the trading floor, he
could do it by having his associate's
number flashed on the annunciatorjust as they were doing over at the
high and mighty New York Stock Exchange.

But the finger talk refused to be killed. Brokers would use it back of their coats as a protection against cavesdroppers. Youngsters asked old grads to show them how it worked. Gradually the rule against it was dropped. Today manual dialogue is in common use on the floor of the Curb despite the competition from the last word in mechanical gadgets.

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BUSIN

As in the good old days on Broad St, the clerk still gets the attention of his broker with a high-pitched whoop. Brokers say they hear only the call of a matey without being conscious of the hubbub around them.

• Advantages—The Curb Exchange is the great "seasoning market" for new issues that some day may be traded on the New York Stock Exchange. Since the Curb requirements are generally more flexible as to size, earning record, and number of shareholders, the Curb gets many companies which would not be admitted to the Big Board. Kaiser-Frazer is traded there, for instance, because the company did not have the



In the old days, rugged Curb brokers on the street gave the high sign ...

48

BUSINESS WEEK . Mar. 15, 1947



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bethe background of earnings which is demanded for listing by the larger exchange. It also costs a company less to list stock on the Curb.

Unlisted trading on the Curb includes the stocks of companies which do not care to have shares listed on either exchange. (The unlisted roster was pretty well frozen in 1934 by SEC regulations.) Such trading is carried on despite possible objections from companies issuing the securities. Often this means the shares of closely held corporations which decline to make the disclosures or submit to the rules of either exchange. Important examples are such blue chips as the Aluminum Co. of America and the sewing machine maker, Singer Mfg. Co.

Besides the benefit of sustaining the value of shares through competitive bidding, the listing on the Curb has another seldom mentioned advantage. It is one of the cheapest methods known for advertising a company, since the original listing costs only \$1,300 to \$1,400. It means the day-by-day appearance of the corporation's name on ticker tapes, brokers' quotation boards, on newspaper financial pages throughout the country. The public naturally accepts the importance of a concern which appears regularly with the listings of the mighty.

• Looking Up-Volume of trading and other signs indicate that Francis Adams Truslow steps into the presidency of the Curb at a time when things are looking up. Most accurate index to its state of ealth is the price of seats. During the 1929 boom, membership hit a high of \$254,000. The low was not in the thirties, as might be expected, but in the early war gloom of 1942 when a seat sold for \$650. At the last sale in February the price had climbed up to \$25,000.



150-ton, H-P-M Double-Action Press drawing teapot bodies in the plant of Reed & Barton, Taunton, Mass.

This H-P-M All-Hydraulic Press does one job today, another tomorrow . . . using single or double-action dies on shallow or deep draws, coining or embossing . . . practically every kind of press work. It produces at high speeds the accurate, finely finished parts demanded by the silversmith.

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Check other insulations carefully. when you are considering insulation for roofs, walls and floors, and compare them with PC Foamglas. That is how you can buy insulation on a "last cost" basis, with PC Foamglas. For full information, send for free copies of our booklets. Pittsburgh Corning Corporation, 632 Duquesne Way, Pittsburgh 22, Pa.

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Eye to Weather

Government bureau offers climatological service to business Data aid in plant siting, product design, distribution of goods.

Are you thinking of building a new plant? Designing a new product? En. tering an unfamiliar foreign market? If you are, then the United States Weather Bureau is looking for you as a customer for its industrial climatology service. The program consists of projecting long-range patterns which may influence plant location and construction, product design, and the distribution of goods in domestic and export trade.

• War Baby-The commercial potential of such information is not a new idea (BW-Mar.30'46,p72). Private and public weathermen during the war discussed the possibilities of introducing such a service for industry (BW-Mar. 25'44,p58), but it was delayed for the duration.

Now the U. S. Weather Bureau is sending a questionnaire to all business concerns on its mailing list for regular information-about 50,000. In this way it expects to develop more knowledge of the extent of industry's needs, and to acquaint businessmen more fully with the climatology service which is now available to them.

• What It Is—The service is not a

weather forecast. A climatologist makes no attempt to predict that there will be rain or snow on a certain day some-

time in the future.

Instead, he projects long-range weather patterns. These are based on analyzing historical weather informa-tion and determining the odds that a specific weather situation will occur during a given time interval. Over a long period of time, weather conditions tend to repeat themselves at a definite frequency

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• How It's Used-Once a pattern is determined, a businessman can translate it into its effect on a specific product or problem which has to reckon with cli-

matic conditions.

Take an electric refrigerator, for example. A company with an eye on promoting export sales has asked the Weather Bureau to furnish it with minimum and maximum temperature data for various cities throughout the world. Its object is, of course, to design a refrigerator that will combine the maximum of cooling capacity with the minimum of refrigeration necessary for efficient operation.

During the war, General Electric Co. called upon the bureau for climatological information on India. The firm was *urning out commercial size refrig-



Factory-wired, conveniently packaged Reliance V*S Drive provides unlimited range of adjustable speeds for Diesel locomotive axle grinder . . . from A-c. circuits.

Whatever your product, whatever the machines used in making it, Reliance V*S Drive can increase the speed of production and reduce your costs at the same time. V*S, the All-electric, Adjustable-speed Drive operating from A-c. Circuits, has done just this in many thousands of diversified applications.

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Using A-c. power, the V*S Drive offers you unlimited flexibility of operation through automatic or manual control, either at the machine or from remote stations. Specifically, this means quick, smooth starts and stops,

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To lay the ghost created by recent hotel fires, Kansas City's Hotel Muehlebach has set up its own fire department. Equipment includes a specially built and equipped truck to meet emergencies before city equipment can arrive. Employees, instructed in fire-fighting techniques by a professional fireman, maintain a full-time fire watch.

eration units for a U. S. Army destined for that country.

Glenn L. Martin Co. has called on the Weather Bureau for data useful in developing the best possible type of airplane cabin air-conditioning. The Hawaiian Pineapple Institute is depending on the new service for a more accurate knowledge of long-term fluctuations in water supply. • Other Uses—Dr. Woodrow Jacobs,

 Other Uses—Dr. Woodrow Jacobs, Director of the Division of Climatology, points to a wide variety of other industrial problems in which the new service can be helpful. As he sees it, both manufacturer and consumer could benefitfrom the introduction of more efficient products which are more economically produced.

Where a major service job cannot be justified as being of sufficient public interest to use public funds, the individual business must pay for processing the climatological data which are needed to solve its particular problem. This may run from a few dollars to a few thousand dollars. The climatologist will study the particular problem, assemble and present the weather data to the concern who asked for it. Then it is up to the company to interpret and apply it to whatever specifications it has in mind.

READERS REPORT:

Lowest "Gas" Tax

In a recent report on gasoline taxes [BW-Dec.21'46,p38] Business Week tated that the lowest state levy on gasoline was 3e.

Missouri has had for a number of rears a 2¢-a-gal. tax on gasoline. If the Speaker of the House of the present session of the legislature represents the attitude of the legislative body, it looks as if that 2¢ tax will be continued.

In spite of the lowest gasoline tax of any state, we believe our highways rank among the best in the nation.

Hugh Denney Director, Missouri State Dept. of Resources & Development Jefferson City, Mo.

As was also noted by C. W. Brown, chief engineer of the Missouri State Highway Dept., Business Week erroneously added to Missouri's 2¢ tax on gasoline a St. Louis municipal levy of 1¢

Withholding Taxes

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Today, we in industry are faced with many problems. Here is one I would like to do something about. To keep our form of government working, you and I must put into it more than an occasional vote. I believe that having employers deduct withholding taxes should be discontinued.

The average employee would not be so dissatisfied today if he were receiving his full check. Our having to deduct taxes makes the income tax a hidden tax. The worker doesn't realize how much income tax he is paying, and I believe this is something that should be

During the war when so many tranient workers were receiving large pay checks, the withholding tax idea was possibly a good one, but now this arrangement, I am sure, is detrimental because the worker's takehome pay is smaller and that makes for discon-

As a further suggestion, the Revenue Dept. should go at this tax problem as private enterprise tackles its own problems. The old way of making tax returns once a year was very unsatisfactory. If the income tax payers were divided into four groups with each having a fiscal year ending in a different quarter, it would be much more convenient for the people as well as for the auditing firms, and a relatively small revenue office personnel could give better service.

A gas company in a large city now



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consult JESSOP

Because JESSOP manufactures a complete line of tool steels, stainless steels, and other specialties, the JESSOP Service Engineer can help you select a specialty steel which will exactly meet your requirements.

For example, JESSOP produces both solid stainless and stainless-clad steel-in all standard analyses plus special types (such as 309S, 309SCb, 316Cb, 317, and 330) which are generally not available—therefore can offer you impartial recommendations as to the most suitable material for any stainless application.

Or, in selecting a tool or die material, you may have under consideration either rolled or forged tool steel, or cast-to-shape tool steel, or cast non-ferrous alloy, or cemented carbides. JESSOP makes all four, and will help you determine which is best fitted to your needs.

It will pay you to be exacting when specifying specialty steels . . . call your nearest JESSOP representative. They are located in principal cities and can give you full technical information . . . or write direct for descriptive literature.

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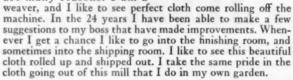
WASHINGTON, PENNSYLVANIA



"BY GORRY, I LIKE TO WORK IN MAINE!"

"NEVER thought much about it 'til the other day someone said to me 'Lester, how do you like your job?' This kind of set me to thinking. I have worked in this woolen mill for 24 years. Never worked in ,but one other plant. I like my job. I like the folks that I work with and I like the folks that I work for.

"Now when it comes down to why I like my work, there are many reasons. I am a



"On the small farm that I own just outside of the village, I have a mighty good garden every year. If I can get green peas by the Fourth of July, or raise a squash a little bigger than my neighbor's, I feel pretty good about it. I have always kept a cow, and I am always mighty sure she is a good one.

"I have raised a family and educated them. Every one of them has a better education than I have. Some of them have settled right down here in the town.

"Another thing that makes me like my job is the fact that I like to go fishing. In the summer months, there is plenty of time after work to drive to a stream or lake nearby, where I can get some fine trout fishing.

"So you see, it is easy to understand why I like my job. I like to make good cloth, I like my garden and I like to go fishing. I find most of the workers about me feel just the same as I do."

Lester N. North

What Lester North says, if carefully analyzed, constitutes an invitation for you to establish your industry in Maine. The State of Maine takes great pride in its industrial workers. They are capable, loyal and happy. The success of any industry depends on the quality of its workers.

If you are thinking of moving, expanding or decentralizing, it will pay you to investigate the industrial possibilities of the State of Maine. Send for the free booklet "Industrial Maine".



MAINE DEVELOPMENT COMMISSION, STATE HOUSE, AUGUSTA, MAINE

sends out notices to a different group every four days; consequently, a small office personnel easily takes care of the receipts. There are no tremendous peak loads with people forming long lines as when all gas bills were due on the 1st or the 15th.

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The Revenue Dept. could well follow such example. It could ask every employer to furnish a quarterly payroll report. The tax office could be empowered to cause an employer to withhold the amount due from the pay check of any delinquent employee. When a worker quits or is discharged, the employer could withhold his pay check pending a clearance from the tax office.

Even if the employer must continue to collect the taxes, it should be done in a lump sum once every three or four months, instead of from every pay check.

C. H. Jones

Pres., Kato Engineering Co., Mankato, Minn.

Better Statistics

Sirs

I am raising a question which might be phrased, "What can be done to make statistics more valuable in forecasting?" Henry H. Morse

Gardner, Mass.

Most current statistics are constructed from relatively small "samples." These samples should be checked against overall statistical data that only can be available from a census, such as the Census of Manufacturers. The last Census of Manufacturers was taken in 1939. Since then great changes have occurred in the U.S. economy. No one can be certain that many of the statistical indices employed by business are accurate until they can be checked against a new census. Unfortunately, the last Congress did not allocate funds for a new Census of Manufacturers. We hope that the new Congress will remedy this error.

If statistical measures are to be useful in forecasting, they must be conceived in the light of an understanding of the factors that are important in causing the cycle. We believe that the business cycle is much better understood today than it was a decade ago and that many of the statistical indices published by the government and business associations might well be reviewed in the light of this improved understanding. Moreover. when a Census of Manufacturers is finally undertaken, it is to be hoped that some of the questions will be specifically designed to elicit information on such matters as capital expenditures. inventories, corporate savings, and the like, that will be of great use in business cycle analysis.

Many statistics now published are capable of further improvement. We

have in mind, for example, the data on inventories. These are expressed in current prices, and in a period of rapid price advance, one cannot determine exactly what they show. If satisfactory measures can be worked out to indicate what proportion of the increased value of invenory represents revaluation due to prices. and what proportion represents an addition to physical stocks, the usefulness of such data would be substantially increased.

There is considerable room for extending and improving statistical data that are of help in business forecasting. We hope to "campaign" for some of these improvements over coming

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In reporting on the Cleveland exposition of the National Materials Handling Assn., Business Week described an eight-way steel-wire pallet as introduced by Fab-Weld Corp. of Philadelphia BW—Jan.25'47,p45].

To our knowledge there were only two firms introducing the new steel wire pallet, the H. E. Fletcher Co., West Chelmsford, Mass., and our company. We exhibited, as also did Fletcher, but are reasonably sure there were no others. H. D. Stone

Mgr., Pallet Sales, Pittsburgh Steel Products Co., Pittsburgh, Pa.

Pittsburgh Steel Products Co. and the H. E. Fletcher Co. should have received the credit for this very interesting development which was specially noted but incorrectly attributed in Business Week's report on the materials-handling show.

Tested Relay

The alternating current relay for use in traffic control systems announced by our client, the Automatic Signal Division of Eastern Industries, Inc., and reported in Business Week [Dec.14'46, p78] is not, as stated, new. It is a relay which has been used successfully in trafhe signal systems manufactured by this company and is now being offered for use in industrial applications.

By a unique construction, Automatic Signal was able to arrange many banks of contacts within one relay, rather than having to use several relays. Its experience over a period of years now puts it into a position to offer to manufacturers a similar type of relay designed to meet industrial requirements for certain prod-

Ronald W. Donahue Vice-Pres., Wilson, Haight & Welch, Hartford, Conn.



A manufacturer of flat irons, made from a tough aluminum alloy, had a difficult cutting problem . . . the removal of the gates from permanent mold castings. The operation called for metal-cutting bands used on a 36" machine operating at 3800 f.p.m., hand feed.

Four band saw manufacturers, including Disston, were asked to supply 12 blades, 18' x ¾" x 3T, for test purposes, with the following results:

DISSTON blades averaged 141 cuts each

76.6 " " 2nd make 3rd " 52 " " 49 " "

Even with this outstanding performance, the Disstoneer* who was present thought even better results could be ob-

tained. He suggested the use of 1/2" x 4T Disston Buttress Tooth Flexback Metal Band Saw Blades, which upped the average to

161 cuts per blade and cut the cost 67 cents per blade . . . a saving of \$83.75 per week — \$4355 per year.



used in this case history, is designed for speeds of 3800 f.p.m. or more. Wide tooth spacing allows for faster feed—wider gullets provide greater chip clearance.

*DISSTONEER—a man who combines the experience of Disston leadership and sound engineering knowledge, to find the right tool for you—to cut wood, to cut metal and other materials—and TO CUT YOUR COST OF PRODUCTION—not only on special work but on ordinary jobs as well.

DISSTON FLEXIBLE-BACK METAL-CUTTING BAND SAWS



(in widths up to and including ½ inch) are now supplied in THE NEW DISSTON SAFETY REEL

Here is an important forward step in the packaging and handling of band saws. With the new Disston Safety Reel, band saw may be unwound as easily as a steel measur-ing tape...and just as easily re-wound after cutting.

Machine operators like it because it saves down time and reduces chances of injury. The Disston Safety Reel also helps to eliminate waste, protects saw and makes storage easy. It holds 100 feet of Disston Flexible-Back Metal-Cutting Band Saw, and is supplied without extra cost.

HENRY DISSTON & SONS, INC., 328 Tacony, Philadelphia 35, Pa., U. S. A.



Please, lady! Not ylue. Pliobond is a new, all-purpose industrial bonding agent that bonds anything to anything.

And it's a big help in making more nylons faster.



This is a Verge Plate. One goes into each of the 26 sections of the Full Fashioned Legger and Footer Knitting machine shown below.



Formerly, the United Knitting Machine Co., put them together with rivets and screws. Since a Verge Plate is hit by 250 steel sinkers from 70 to 80 times per minute, the vibration broke them up pretty fast. And then the machine went out of service until the Verge Plate was replaced.

Now, however, these Verge Plates are assembled by bonding a 1/8" strip of rolled brass to a 3/16" piece of "Synthane" plastic laminate. And, since the job is done by *Pliobond*, the bond withstands the terrific vibration.

This is only one of the myriad jobs Pliobond is doing for industry today. We'll be glad to send you full details about Pliobond. Mail the coupon.

Pliobond is manufactured by The Goodyear Tire & Rubber Company, and is distributed exclusively by . . .

TECHNICAL AD	TES PLYWOOD C HESIVES DIVISION Irred, New York 18,	
Please send ye	our free folder on l	Pliobond.
Name		
Street		

PRODUCTION

Torsion Springs Ride Rails

Innovation in wheel suspension, already used on buses, tanks, to get operating test for possible adaptation. Might make higher-speed freight trains practical through easier riding.

A steel rod is elastic; it will bend or twist. But the farther you twist it the more resistance it builds up. If you don't twist it too far, it tends to snap back to normal.

This characteristic can be harnessed to make the rod serve as a spring. Engineers call it torsion springing. It was first tried on buses, then on tanks, and was recently proposed for automobiles and truck trailers (BW-Mar.3'46,p75).

Now torsion springing is going to get a full-scale trial on the railroads. In six weeks, a leading eastern line will road test this type of spring on a railroad truck developed by American Welding & Mfg. Co., Warren, Ohio (picture, below). The firm is expanding into the field of railway equipment manufacturing.

• Principle—In its torsion-suspended truck, each axle is mounted through yoke arms connected to steel torsion rods. One end of each torsion rod is fastened rigidly to the truck frame. The end attached to the yoke is free to rotate. Up-and-down movement of the axle imparts, through the yoke, a turning or twisting force on the free end of the rod. The resistance of this rod to the twist (or torsion) increases as the angle of twist increases. This movement gives the basic springing action.

American Welding officials expect that the new welded truck, under development for five years, will make faster freight trains possible. Through easier riding, cargo damage would be reduced. Wear and tear on rails would also be eased. Reason: The unique springing would prevent side-to-side movement ("nosing" in a railroader's lingo) of cars, Impact shocks would be reduced. The torsional springs will also provide some degree of damping, or shock absorption.

sorption.
• First Test—The innovation has been carefully kept under wraps. Although tests are on the way, actual full-scale production is months off.

The initial tests with full loads at high operating speeds are scheduled for May or early June.

• Other Devices—The torsion-spring truck is only one of the products of American Welding's new railway equipment division. Among other mechanical innovations its engineers have developed

(1) A new front-end arrangement for locomotive boilers in which an aerodynamic baffle system produces an equalized draft. This is said to distribute the draft evenly through the flues and the fire tubes, to produce more efficient firing, better steaming, and to add to tube and flue life.

(2) Locomotive cleaning ports which are an improved means for cleaning front-end netting. Action is automatic,

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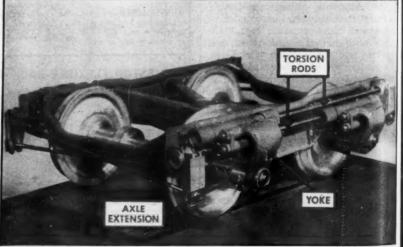
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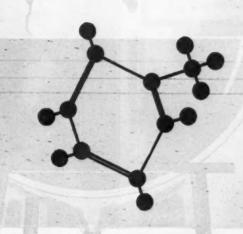
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*Trademark registered, The Goodyear Tire & Rubber Co. | A new "twist" for rail freight trucks—steel torsion springs for smooth riding.

SHAPING NATIONAL PROSPERITY
THROUGH... the Chemical Industries





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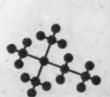
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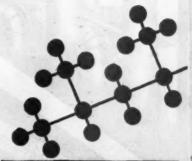
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hort, cryptic names like Buna S... modest ones like Penicillin... cumbersome tongue-twisters such as Dichlorodiphenyltrichloroethane, (DDT)... identify an ever-growing avalanche of amazing products.

More than any other, the Chemical Process Industries sprawl into our individual lives—our foods, shelter, clothing, safety, medicine... our tires, safety-glass, anti-knock gasoline... Into agriculture, with fertilizers and insecticides... Into our factories with solvents, plastics, coolants, pigments, acids... Into our national security with explosives, aviation gasoline, chemical warfare products...

These processes require modern, reliable machines, many of standard design; others specially developed for specific applications. Such machinery must be designed, built and sold by men who have kept pace with the ever-changing needs of the Chemical Process Industries. Ingersoll-Rand has all these qualifications as evidenced by the thousands of I-R installations.

Ingersoll-Rand

AIR & GAS COMPRESSORS - AIR TOOLS

TURBOBLOWERS - PUMPS

VACUUM EQUIPMENT - CAS & OIL ENGINES



Zelephone Zours

DENMARK

DENMARK, INCLUDING JUTLAND AND NUMEROUS ISLANDS IN THE BALTIC SEA, IS ABOUT TWICE THE SIZE OF MASSACHUSETTS, AREA ABOUT 16,500 SQ. MI.; POPULATION ABOUT 4 MILLION.

FARM FAME-- DENMARK'S GREAT DAIRY INDUSTRY NORMALLY EXPORTS MORE BUTTER THAN ANY OTHER COUNTRY IN THE WORLD. PRE-WAR DANISH BACON PRODUCTION WAS SECOND ONLY TO THAT OF THE U.S.



ART IN SILVER -- EXQUISITE DESIGN AND CRAFTSMANSHIP GIVE MODERN DANISH SILVER HIGH ART VALUE AS WELL AS UTILITY. MANY HAND WORKED PRODUCTS OF DANISH CRAFTSMEN ARE NOW IN MUSEUMS.



GEST SELLER -- THE FAIRY TALES OF HANS CHRISTIAN ANDERSEN, WHO WAS BORN IN ODENSE, DENMARK, IN 1805, HAVE BEEN TRANSLATED INTO 35 LANGUAGES -- ARE EXCEEDED IN SALES ONLY BY THE BIBLE!

PERFECT MATCH -- MODERN PRODUCTS OF THE FAMED ROYAL COPENHAGEN PORCELAIN FACTORY HAVE CHANGED SO LITTLE IN COLOR AND DESIGN THAT THEY STILL BLEND PERFECTLY WITH THOSE MADE OVER 150 YEARS AGO.

DENMARK IS A COUNTRY OF

PICTURESQUE BUILDINGS. THANKS TO A GOVERNMENT PROGRAM OF MAINTENANCE, MANY HISTORIC STRUCTURES UP TO 500 YEARS OLD ARE KEPT IN EXCELLENT

CONDITION.

DENMARK and most of the other principal countries of the world can now be reached from your own telephone. And new low rates are in effect. A 3-minute conversation between Denmark and anywhere in the United States costs \$12 on weekdays; \$9 at night and on Sunday.

Bell System OVERSEAS Telephone Service

requires no attention from engine crew.

(3) A simple device to take up slack on freight car brake shoes.

(4) A device that prevents standard brake shoe keys from falling out (when they do, brake shoes get lost).

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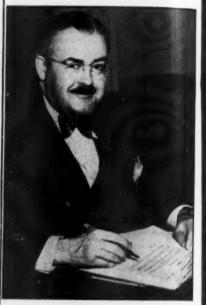
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(5) Expansible dust guards and metal dust-guard closures that protect bearing boxes. By excluding water and almasive dust, the products are intended in cut lubrication costs and reduce the danger of hot boxes.

• History—American Welding got its start in World War I making steel bands to be shrunk on field equipment. Later the firm turned to making gas-



William J. Sampson, Jr., spearheads American Welding's expansion.

welded steel tubing, and out of this activity company engineers developed demountable rims for light trucks. During World War II, it made welded steel bands on which tank turrets revolved. The company branched out into the railway equipment field after a study by Sampson and his staff, assisted by consultants. This study showed there wasn't enough conventional welding work available to keep the war-expanded plant working to capacity.

Spearheading the new activities of American Welding is its president, William B. Sampson. He is no novice to the steel-making and steel-fabricating industries. In Youngstown, his family were pioneers in establishing Steel & Tube, Inc., today part of Republic Steel Corp.

• Plans—As soon as possible, Sampson is anxious to turn to what he regards as a lucrative new activity. He plans to take on production jobs for a number of West Coast manufacturers who want to get into eastern markets, but who are without plant facilities in the East.

Alloy to Watch

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Elgin's development for mainsprings may have variety of uses in other fields. It is nonmagnetic, resists corrosion.

Out of a laboratory and a factory cellar has emerged something new in watch mainsprings-an alloy which bears considerable industrial promise.

Last week, Elgin National Watch Co. announced that, away from competitive eyes, it has been making mainsprings of a new eight-element alloy that Battelle Memorial Institute scientists developed after twelve years of research.

• Tests Successful-After starting their manufacture in a corner of the plant cellar, Elgin put out a number of watches without informing the trade of the new mainspring. Not a single mainspring failure was reported to the

To the extent that patent law offers protection, Swiss watchmakers will be out in the cold. But Elgin expects to make the alloy available to United States industries on a licensing arrange-

• Intensive Research-Elgin says that the alloy is the most important advance in watchmaking since the introduction of jeweled bearings in 1704. Because mainspring trouble is the cause of more than half of all watch repairs, Elgin began an intensive research program in the early thirties. Objective was to find a material that would not take a permanent "set," and that would be resistant to corrosion-rusting and consequent breakage. Under Elgin sponsorship a research fellowship was set up in 1930 at Battelle under the direction of Dr. Osear E. Horger. Horger tried hundreds of combinations, came up with an answer back in 1942.

Mill production problems-involving hot and cold rolling-had to be over-come. Hoskins Mfg. Co. of Detroit, the Wilber B. Driver Co. of Newark, N. J., and the Athenia Steel Co. of Clifton, N. J., worked them out. They are now producing and processing the

• Nonmagnetic-The new substance is an alloy of cobalt, chromium, nickel, molybdenum, manganese, beryllium, iron, and carbon. Based on extensive tests, it shows higher strength than corresponding steels formely used, particularly in what engineers call yield strength—the stress below which a metal will not take a permanent set. It has a high modulus of elasticity. This determines the strength of a mainspring. Another outstanding characteristic is that it is nonmagnetic. Once magne-

LIGHTEST, FASTEST



- Lightest . . . weighs only 63/4 pounds.
- Fastest . . . it tensions, seals, and cuts the strap in one operation. Magazine holds 100 seals.
- Small base . . . takes up less strapping sur-

face than any other toolonly 5 inches.

Tested and proved in the field, it is now ready to work for you. Write for complete details and data sheet.

Send me a data : Steelstrapper.	sheet on the new No. 3
NAME	
COMPANY	
STREET	
CITY	STATE

ACME STEEL COMPANY

ACME STEEL CO. CHICAGO

LOS ANGELES 11



To heat any size area, for offices and stores, for factories and warehouses, for commercial buildings and garages... there's a Reznor heater JUST FOR THE JOB. Floor models or suspended types have the famous Reznor Heat Exchanger units...many thousands in use! If you are interested in heat at less cost and with less trouble, investigate Reznor upit heaters.



REMOR Gas fired unit treaters

REZNOR CO.
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GAS HEATERS SINCE 1888

NO BOILERS - NO STEAM LINES NO FUEL STORAGE - NO FIRE TENDING



Involved in hotel ownership, management, financing or counseling? A building boom is coming. More hotels mean more competition. Avoid mistakes when you design, build, modernize or equip your hotel by consulting us.

Write Today - No Obligation





SMALL TUNNEL, BIG ANSWERS

Velocities up to three times the speed of sound will be simulated in two tiny wind tunnels now under construction at the University of California. Professor R. Z. Folsom (above) displays the first tunnel. It will duplicate conditions 70,000 ft. above the earth, where tomorrow's rockets will fly. In a test chamber only 1 in. wide and $\frac{2}{3}$ in. high scientists will study reactions of wire and small pieces of metal to supersonic speeds.

tized, a steel mainspring tends to affect other parts of a watch, eventually causing variations in timekeeping.

The alloy is highly resistant to corrosion. Made into a mainspring, it resisted 500 hours of salt spray; ordinary steel springs lasted only a few minutes. The alloy has excellent resistance to all ordinary chemicals—even resisting boiling aqua regia, a mixture of hydrochloric and nitric acids that literally dissolves an ordinary watch almost instantly.

• Variety of Uses—Other industries are looking to possible use of the new alloy for jet propulsion and gas turbine parts, chemical equipment, automotive valve surgical springs, and dental instruments, gun springs, and other applications where high strength, resistance to high temperatures and corrosion, and non-magnetic qualities are desired.

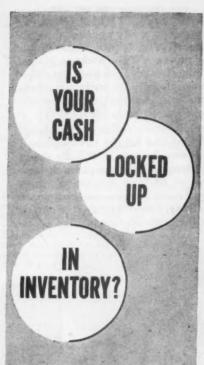
Preliminary tests for its use in jet propulsion devices are under way under government sponsorship.

CITY AIDS INDUSTRY

Right after the war, reconverting Los Angeles manufacturers were interested in secondhand machine tools. Lists of tools for sale were published in the Production Expediter, mimeographed monthly of the city's Dept. of Water & Power. This activity built electric load for the municipal power system.

Now the emphasis is on open machine-tool time. Factory A has idle time on its lathes. Factory Z needs more lathe work, but cannot buy equipment. The department lists open time, by types of machines. The aim is to bring interested parties together, let them work out their own deals from there on.





explain how you can borrow on your inventory without moving it off your premises. Loans of \$10,000 to \$10,000,000 — depending on the amount of merchandise on hand—can be arranged with banks or other lending agencies. Write today for booklet giving complete details.

DOUGLAS-GUARDIAN WAREHOUSE CORPORATION

50 Broad St. Garfield Building New York 4, N.Y. or Los Angeles 14, Calif.

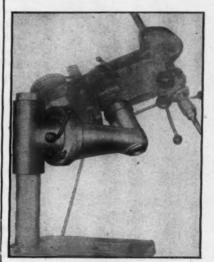
I'm interested in a bank loan on inventory. Please send me a copy of PROFITS ON YOUR PREMISES.

Name	
Address	
	BW-3-15-47

NEW PRODUCTS

Drill Converter

Designed to eliminate the necessity for a universal-tilting table for drilling holes at any desired angle, a new All Angle Radial Arm converts standard drill presses into radial drilling machines.



The arm, manufactured by Empire Foundry & Machine Corp., Ashland, Ky., increases the chuck-to-column capacity 16 in., and the auxiliary column increases the chuck-to-base capacity 5 in. A 15-in, steel or bronze auxiliary column can be furnished. Through use of the arm, the drill head may be adjusted to any desired drilling angle.

Availability: immediate delivery.

Balanced Pickup

For AM and FM broadcasting and other professional uses of recordings Fairchild Camera & Instrument Corp., Jamaica, N. Y., has announced a streamlined lateral pickup (below). The pickup is balanced to reduce skating over the record while retaining its floating principle. The design is said to permit the tracking of warped records.

A set-screw adjusts the pickup to vary-

ing heights of turntable platters. The new instrument provides frequency to sponse with distortion of only plus of minus two decibels in the 30-cycle to 10,000-cycle range.

Two-Job Gun

Metalizing and welding procedure are combined in the new Spraywelder manufactured by Wall Colmonoy Corp., 19345 John R., Detroit 3. The gun, used in conjunction with the company's Sprayweld Process, operates first as a powder metalizing unit to apply a uniform overlay of hard-facing alloy or other powdered composition to the surface being treated. It is then used as a conventional welding torch to fuse the sprayed overlay to the base metal. The bond achieved is said to be as good as that obtained when the same alloy, in rod form, is acetylene welded.

Spraywelder is lightweight. It can be hand-operated, held in a vise, or used with an attachment in the tool post of a lathe. Control valves are mounted on the gun; powder flow is stopped and started by pressing or releasing the trigger. The unit includes all necessary hoses with connections, a hopper for the powdered metal, and a wall panel to hold the equipment when not in use.

Availability: immediate delivery.

Cleaning Cloth

A new industrial cleaning cloth similar in principle to a housewife's pot cleaner is being produced by Metal Textile Corp., Orange, N. J. The cleaner, made of an alloy containing approximately 94% nickel, is knitted into a pliable cylinder; endless chain construction without loose ends prevents raveling or splintering. It is knit of flattened wire which is positioned substantially at right angles to the plane of the cloth in order to provide maximum cleaning efficiency.

The cloth, which is marketed under the name Nickletex, can be unrolled to clean tubing and intricate shapes, or





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> Ever see a brick melt in air -melt like a block of butter in a warm room? Probably not. For air around the ordinary brick building just doesn't get that hot . . . over 2000° F.

Yet raising the temperature of air until it's hot enough to melt a brick-and a lot hotter-is now possible with the Pebble Heat Exchanger developed by B&W. It heats gases far above the temperature limits of metallic heat exchangers.

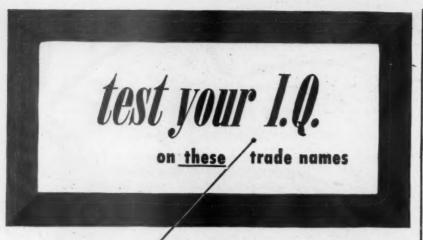
Development of the Pebble Heat Exchanger is further evidence that B&Wold in experience, pioneer of many advances in divergent fields—is yet young enough to have new ideas . . . ideas for engineers of all industries, in connection with present problems or future plans.

Water-Tube Boilers, for Stationary Power Plants, for Marine Service . . Water-Cooled Furnaces . . Super-heaters . . Economizers . . Air Heaters . . Pulverized-Coal Equipment . . . Chain-Grate Stokers . . . Oil, Gas and Multifuel Burners . . . Seamless and Welded Tubes and Pipe . . . Refractories . . . Process Equipment.



KS: ALLIANCE AND BARBERTON, O.; AUGUSTA, GA.

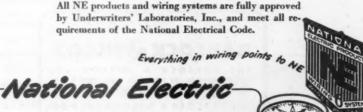
E BABCOCK & WILCOX TUBE CO. GENERAL OFFICES: BEAVER FAILS, PA. ANTS: BEAVER FALLS, PA.; AND ALLIANCE,



How many of the famous trade names listed below do you know? Electrical engineers and purchasing men have been writing some of these product names into specifications and orders since 1905.

SHERARDUCT Full weight, threaded, rigid steel conduit. Plug-in bus for industrial distribution systems. WIREWA 4 x 4 industrial wireway with full accessibility. NEPCODUCT Simplified steel underfloor distribution system. SURFACEDUCT $2\frac{1}{8}$ " x $1\frac{5}{8}$ " raceway with the famous lay-in principle. FLORDUCT Beveled raceway for across-the-floor service. PLUG-IN STRIP Wired multi-outlet assembly for baseboard mounting. DILEC FIRESTOP Insulated, fire-resistant-marked and measured-wire and cable. Flexible steel armored bushed cable, ABC REDEGE Outlet and switch boxes. LOOMWIRE Non-metallic sheathed cable. GORILLA GRIPS | Precision solderless connectors.

Your engineering and purchasing libraries should have complete information on every one of these leading electrical products. Let us send you our latest literature. Why not have your secretary call our nearest sales office now, or write to NATIONAL ELECTRIC PRODUCTS CORPORATION, Pittsburgh 30, Pennsylvania.



PITTSBURGH, PA.

rolled into a ball to clean coners at other hard-to-reach spots. Its open-me construction permits the pissage water or other solvents for cleaning. Availability: immediate delivery.

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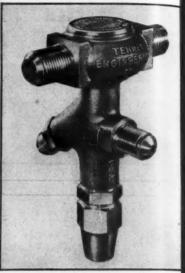
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USINES

Refrigerant Valve

Tenney Engineering, Inc., 26 Ave. Newark 5, N. J., has announced a ne refrigerant valve which combines a su tion check valve and expansion valve one unit. The check valve prevents bat



pressure and bleeding suction vapor be tween a high-temperature evaporator and a low-temperature evaporator whe both are connected to one suction line

This feature enables one compresso to service two or more evaporators with out the hazard of temperatures becoming equalized in the evaporator durin machine shutdown. The manufacture states that the valve is not affected b box temperature, entering warm air, of warm suction lines.

Availability: Deliveries begin in April

Conveyor Cleat

A new belt cleat for conveyor use habeen developed by Rapids-Standard Co., Inc., 308 Peoples National Ban Bldg., Grand Rapids 2, Mich. Of curved construction, the cleat reportedly will not pull loose, regardless of the condition of the conveyor belt. The cleat is made of 12-gage steel and is attached to the belt with round-head bolts, hug lock nuts, and a 13-gage steel reinforcing strip.

Fastening the cleat entails drawing a small area of the belt within the concave side of the bottom leg of the cleat. This frees the reinforcing strip from contact with the conveyor bed and provides a strong grip to keep the cleat fastened. The manufacturer says that

cleat easily handles a wide range of mpings and other products; that its ign prevents lodging of stampings ween belt and cleat when passing the pulley.

wailability: not sold separately; standequipment on Rapids-Standard's

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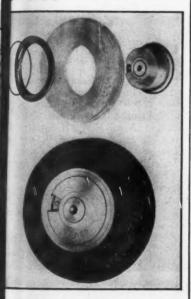
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agnesium Suitcases

Lightweight luggage manufactured Mag Products Corp., Cleveland, is astructed of magnesium. It has a in finish, plastic-coated lining, and cite finger-grip handles. Cast magnem corner pieces are riveted to the side sets. Sides are said to be dent-proof. The luggage is made in four sizes: emight case, women's wardrobe, Pulln case, and men's two-suiter. Availability: delivery after Mar. 16.

uick-Changing Tire

A new pneumatic wheel with a dehable rim makes it possible to change s on small industrial trucks in less in one minute, according to the mancturer, Aerol Co., 1823 E. Washingnesistant aluminum alloy, the wheel s two sections. One includes the bearcarrying part of the wheel and one



m; the other is a detachable rim which ides into position over the main part the wheel. The detachable rim is held place by a special steel-spring retainer

No tools are required to install or reove a tire. The tube is placed inside tire and inflated with enough air round it out. The tire may then be ushed on or off the wheel by hand.

The wheels are equipped with Timn roller bearings. Three axle sizes are allable: 1‡ in., 1 in., and ‡ in. Hub

fill St to develop a corrugated box for CANNED FOODS



IMMEDIATE SAVINGS were effected by the development of the first Corrugated Canned Food Box. Costs were lowered, damage in transit was reduced, distribution costs were cut. And through the years, as more H & D "firsts" made their appearance . . . corrugated boxes for paint, for bulk glassware, for furniture . . . these same savings became available to manufacturers in other fields. Today, H & D research continues to uncover new packaging developments to aid industry . . . continues to aid in reducing distribution costs. The Hinde & Dauch Paper Company, Executive Offices, 4703 Decatur Street, Sandusky, Ohio.



HINDE & DAUCH

Authority on Packaging

FACTORIES IN: Baltimore 13, Maryland * Buffalo 6, N. Y. * Chicago 32, Illinois * Cleveland 2, Ohlo * Detroit 27, Michigan * Gloucester, N. J. * Hoboken, N. J. * Kansas City 19, Kansas * Lenair, N. C. * Montreal, Quebec Richmond 12, Virginia * 3t. Louis 15, Missouri * Sandusky, Ohlo * Toronto, Ostario * Watertown 72, Mass.

MOBILIFT ...a "Capital" idea! Mobilift enables you to "Capital-

Mobilift enables you to "Capitalize" on the money you spend for materials handling. Think it over a minute and you'll see why. Money spent for hand labor is gone forever. But money spent for a Mobilift becomes a capital asset. You can use it over and over for years of more efficient materials handling. It earns a definite return. You can write depreciation on it. And best of all it saves time, space and money every day in your plant. Capitalize on a Mobilift system now!



MOBILIFT

Moves Materials like a Giant!

GENERAL EQUIPMENT CO., 835 S. E. Main Street, Portland 14, Oregon

diameter remains the same for all who Availability: immediate delivery.

Retractable Extension Cord

The Recoilo-Lite is a new 25-ft, tension cord and trouble light, design especially for garages. A feature of cord is its ability to retract to 43 thus eliminating tangling.



A Neoprene jacket protects the of from steam, water, oil, grease, and macids, according to the manufacture Kellogg Switchboard & Supply Co. S. Cicero Ave., Chicago.

Availability: immediate delivery.

Cloth-Applied Paint

Eleven different colors are availated for repainting automobiles at home with Dab, a new paint distributed by May Paint & Supply Co., Inc., 3 Lincoln Ave., N.W., Canton, Oh Any car can be painted in one housing only one quart of the paint, a cording to the distributor. Dab is wip on with a cloth supplied with the paint of the distributor.

The finish is guaranteed for two yeagainst chipping, peeling, cracking, a fading. Lloyd's of London underwrithe guarantee.

Availability: immediate delivery.

of ever

Fruit Peeler

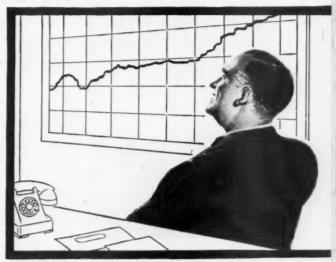
A stamped-steel gadget, no lar than a conventional can opener, is a signed to make orange and grapeful peeling easy, and eliminate puncture fruit and squirts of juice. Manufacture by Mabro Mfg. Co., 1828 Amsterda Ave., New York City 31, the device called the Peelmaster. A small stainle steel cutter, recessed in the center of the peeler, is used to cut a slot completely around the fruit. Then the spoon-like end is inserted under the skin The skin comes off in hemispheric pieces.

Availability: immediate delivery.

NEW MACHINES_ merica's Curse or America's Blessing?



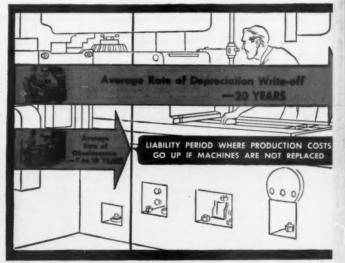
i's the unswer for lubor? From 1900 to 1945 when new res made possible mass production average factory worker's wage up 15% per hour to \$1.04. Work week cut from 54 to 43 hours (includation). Employment increased 7,700,000. The answer — a blessing.



What's the answer for business? Greater production and lower prices that enable more people to buy. In 1927, 1,300,000 radios were sold. In 1939, 11,500,000. The only way to meet competition, assure fair profits, is to replace obsolete with new machines. The answer—a blessing.



t's the answer for the consumer? More commodities within it everyone because of lower prices. In 1927 average radio price was 0. In 1939, \$31.00. Likewise, cars, shoes, refrigerators, other former is are necessities today. The answer for the consumer — a blessing.



Profits are industry's reward for raising living standards. But profits and high living standards may decline if depreciation rate for machines is kept at 20 years. Most machines, especially machine tools, are obsolete in 7 to 10 years. The answer—a 7 to 10 year writeoff.



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Which Truck **Gets There First** In Profit?

'Way out in front—profit-wise—are the operators of refrigerated trucks who capitalize on space sav-ings made possible by Santocel, "the world's most efficient insu-lating material." That's because Santocel reduces thicknesses of insulating walls by half...increases payload capacity 21% or more. Check this profit table to see how Santocel space savings work for an operator engaged in long distance hauling:

	Ordinary Refrigerated Truck	Same Truck Insulated With Santocel
Run	N.Y.—Chicago	N.YChicago
Payload Capacity	20,000 lbs.	24,000 lbs.
Freight Revenue	eight Revenue \$ 236.*	

If you manufacture, sell or use any kind of refrigerated equipment, it will pay you to investigate Santocel. Full details freely given: MONSANTO CHEMICAL CO., Merrimac Division, Boston 49, Massachusetts. Santoonl: Reg. U. S. Pat. Of.

SERVING INDUSTRY. . . WHICH SERVES MANKING



MARKETING

Retail Tire Market Weakens

Ample supply plus normal seasonal lull in demand mo dealers to cut prices, revives trade-ins and instalment sell Makers hold prices firm, assert situation is only temporary.

Although manufacturers' quotations on auto tires are still being maintained firmly, prices have cracked wide open at the retail level. With dealers' supplies ample once more and practically all pipelines filled, a temporary lull in demand has resulted nationally in:

· Price cutting, particularly in special or private brands.

• The revival of trade-in and budgetselling plans.

• Stumping the Experts-Peculiarly enough, the softening of auto-tire prices has taken place before that of truck tires. Experts all had it figured the other way around. The replacement needs of the nation's 24 million passenger cars after the wartime famine seemed much greater than those of the much smaller number of trucks.

However, the expansion of auto-tire capacity during and after the war exceeded that of trucks. Also, private motorists have shown more reluctance to buy tires as the supply became more

plentiful. But trucks everywhere being run at a terrific clip because of railroad car shortage. Thus, contin wear and tear has forced industry

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keep buying truck tires.

• The Cut-Price Sales—Throughout country, advertisements of mailhouses, chain stores, independent tailers, and department stores illus (below) the return of "normality" to tire business. Gimbel Brothers 30,000 national-brand casings at 1 off. Although it barred dealers, store did not limit quantities custos could purchase. Most other instance drastic price cutting have permitted more than two to a customer.

Western Auto Supply and various dependents have adopted the trad once more. They are giving custon anywhere from 50¢ for an old tire cannot be recapped to 10% of the of a new shoe when the old one fairly good condition.

Western and the Pep Boys d



Price-cutting is fashionable again among tire retailers. Other familiar indu ments to buy include trade-ins, guarantees, instalment buying, free tubes.

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Production (Million of Tires)
% Increase
1941 1945 1946 over 1941
ars 50.4 28.2 66.3 20
fucks ... 11.1 16.3 15.8 42
Earnings per Share (Common Stock)
% Increase
1946
1941 1945 1946 over 1941
[S. Rubber \$4.86 \$4.44 \$10.23 110
irestone ... 4.37 7.42 13.2 202
codyrar ... 4.68 5.87 16.07 243

5.02 7.84

also reinstituted the 18-month antee. In some cities, an increasing ber of dealers has been tossing in a tube with every casing purchased. ars Roebuck & Co. and Montery Ward head the list of those reing instalment selling of tires.

ng instalment selling of tires.

WO Reasons—The retail price situawas brought to a boil by two factors
ng in conjunction. First, tire facis have been turning out casings at
cord-breaking rate for more than
tar (BW—Apr.20'46,p68). Second,
winter falling-off in demand that
acterized the prewar tire business is
tagain. Before the war, the seasonal
acter of automobile driving was reed in this distribution of retail tire
s winter quarter, 17%; spring quar28%; summer quarter, 33%; fall
ter, 22%.

akers Are Adamant—Remembering the manufacturers have been maining that there is no excuse for all e jitters at the retail level. Up to the the theorem that the refused to consider pleas retailers for price reductions. Induction, the factories are insisting that rems' stocks are still too low.

he average dealer right now has a lay inventory. The manufacturers of that inventories should go up to lay levels. They insist that retailers and recognize that they are no longer mating under conditions of wartime city. Stocks that are built up now, y declare, will be unloaded easily the driving season begins.

ew Cars to Take More—The manuarers also cite the fact that productof new cars is expected to come to 4,000,000 units this year, an ease of almost 100% over 1946. In the additional tire allowed on year's new car, that means that auto manufacturers will take about 100,000 tires this year as against 100,000 in 1946. Since tire productis already at capacity levels, the of tires available for dealer recement stocks will be lower this year a last.

lowever if retailers continue price ing through the big-demand months pring and summer, there is no doubt manufacturers will be forced to give Irints postage

on envelope
Seals flap

same time!

And the "same time" is a lotless time than a girl takes to seal and stamp a letter... because no girl works as fast as a postage meter!

The postage meter prints any kind of stamp required for any kind of mail or parcel post... prints a postmark, which helps the letter get through the postoffice faster... prints your advertisement on the envelope, too, if you like ... and seals the flap at the same time—all in the turn of a die! The

meter holds as much postage as you want to put in it, protects the postage from loss or office wolves...does its own accounting automatically... banishes the old-fashioned adhesive stamp and stamp-sticking... usually saves postage as well as time, in the little office as well as the big one!

Like to know more about a Pitney-Bowes postage meter? Call the nearest PB office right away



PITNEY-BOWES, INC., 1411 Pacific St., Stamford, Conn.

Originators of Metered Mail. Largest makers of postage meters

Offices in 59 principal cities in the United States and Canada

INESS WEEK . Mar. 15, 1947



One Hein-Werner Hydraulic Jack leads to the purchase of another when industrial users discover the convenience, dependability and versatility of these powerful, easy-operating jacks.

In a thousand and one applications—lifting, moving, bending, pressing ... in plant production and plant maintenance, the H-W Hydraulic quickly proves its efficient ability. Every Hein-Werner Jack is factory-tested at 1½ times its rated capacity for absolute dependability and safety.

Let an H-W Hydraulic prove its ability to handle any number of tough jobs in your plant. Once you've tried one you'll order more. Made in models of 1½, 3, 5, 8, 12, 20, 30, 50 and 100 tons capacity. See your nearest industrial supply distributor, or write us for details.

HEIN-WERNER MOTOR PARTS CORP. WAUKESHA, WISCONSIN

Hein Werner

IT'S MORE THAN A LIFT!

It is versatility in hydraulic power. It lifts, moves, bends, presses at any angle for any job—from vertical to horizontal. The H-W Hydraulic always delivers maximum power.



G.I. Rice in Muff

Army-introduced brand put on market in New York (It's specially treated to rel vitamin and mineral content.

Ever since 1942, Army chow has cluded rice that, in nutritive value least, surpassed any that mother turned out.

That was because the Army was ting its supply from Converted R Inc., of Houston. This firm trace before milling with a process which—according to Army tests—it tains 75% to 80% of the vitamic content of rough rice, and 50% of mineral content. These qualities usually lost in the polishing (BV Sep.2'44,p66).

• New Dress—This week the G.I. made its formal civilian debut in New York market under the trade na "Uncle Ben's Converted Rice." So test quantities had been marketed the during the war, as Ehler's Converice. Now the company is launch a full-scale radio and newspaper ad tising program designed to sell 10.0 000 to 20,000,000 lb. of Uncle Be Converted Rice in the New York within the next twelve months.

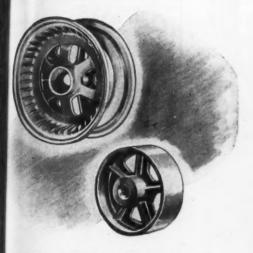
Converted Rice, Inc., uses an I lish process owned by Rice Convers Ltd. of London. The U. S. firm has exclusive license for production and a keting in the United States, Mca Puerto Rico, and Cuba.

• Process—The rough grain is first uum-treated to clear the capillaries la



Gordon L. Harwell: first on the maket with rice processed to keep maket of its vitamin B and mineral contents.

AGNESIU IS AVAILABLE!



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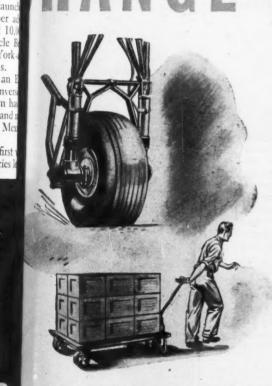
Conve

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value other

35% lighter than aluminum, 75% lighter than steel. Prompt shipment in semi-fabricated forms!

Sound, strong castings like these are readily available in easily-machinable, feather-light American Magnesium. Permanent-mold castings, for volume production, are made to close tolerances. Machining is simple; the first cut is often the finish cut. Roughing cut and finish grinding may be eliminated. Can American Magnesium, in one of its readily-used forms, save money and improve products for you? Sheet, easily formed or deep drawn. Intricate extrusions, to desired profile. Strong, light forgings. Remember . . .



59 YEARS OF LIGHT-METAL KNOW-HOW

American Magnesium makes available the light-metal experience of Aluminum Company of America to help!

Whether or not your designers and production men have had previous light-metal experience, you will find help in the 59 years' light-metal know-how of Aluminum Company of America. We know costs; how to keep them low; how to help you appraise them against the gains you wil' receive. In design, in shop practice, in tool design, we can help short-cut many a problem. Take your first step toward a bonus in lightness today. Call your nearest Alcoa sales office, or write ALUMINUM COMPANY OF AMERICA, sales agent for American Magnesium products, 1711 Gulf Building, Pittsburgh 19, Pennsylvania.



AMERICAN MAGNESIUM CORPORATION

UBSIDIARY OF ALUMINUM COMPANY OF AMERICA



FORESIGHTED PROTECTION PAYS OFF IN PEACE-OF-MIND SECURITY!

... and your insurance agent or broker is your best source for this protection

If this were to happen on your property now... would you be prepared... or worried over a probable lawsuit involving high medical expense and difficult settlement negotiations?

Certainly, the foresighted house-holder is protected against such accident claims. Your experienced local insurance agent or broker is your best source for a policy tailored to your specific requirements. Should an accident occur on or off your premises, he automatically places at your disposal the best service to settle claims promptly and expertly without loss of time or money to you.

Moreover, he knows he can recommend our Comprehénsive Personal Liability for two important reasons. First, he knows us well, for our protection and service is offered only through brokers and agents throughout the country. Second, he knows the Policy; how it provides \$10,000 worth of protection for each occurrence at a cost of less than three cents a day, plus medical payments up to \$250 for each person injured. Higher protection, if desired, costs very little more. Call our agent or your own broker today and join the ever-growing throng of householders now enjoying peace-ofmind security!

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY

Affiliate: SURETY FIRE INSURANCE COMPANY

"Dependable as America"

100 Broadway, New York 5, N. Y.

ing from the outer kernel to the cen. When the rice is subsequently stee the nutrients of the brand and hull carried into the kernel. Then the is dried, giving it a glazed surface tresists weevil infestation and imposits shipping qualities.

Because of this processing the nels of Converted Rice tend to renseparate from each other after con (picture, below). The company there's less chance of a soggy, gelating mass, that frequently results when a processed rice falls into the hands inexperienced cooks. The process gives Converted Rice a distinctive at the company describes as "nutty."

Converted Rice will stress these quites of flavor and "separateness" in New York advertising, with the slogan, "Every grain salutes you!"

slogan, "Every grain salutes you!"

Gordon L. Harwell, the compart president, shrewdly figures that althous housewives pay lip service to nutrition their buying and cooking habits dictated by convenience and fampreference.

He is also re-incarnating "Un Ben,"—a trade name he used years when, as a Houston broker, he paged and sold rice under his own bar Uncle Ben's wrinkled and kindly by face on the package is intended connote the idea of old-fashioned go ness, to sweeten the newfangled idea nutrition.

• Cost—Uncle Ben's Converted I has a retail ceiling price of 210 pound. That is 2¢ higher than a processed rice of comparable qual Although the process can be applied any kind of rice, Harwell uses only long-grain Rexoro variety, on the pmise that a quality process best fit quality raw material. He hopes eventuate get the retail price below that competitive products.

Processing adds something to

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"Every grain salutes you!"

BU INESS WEEK . Mar. 15, 1

CROCODILE?

No-it's a modern coal-mine "shovel"!



Yes, this crocodile-like contraption, with headlamps for "eyes," is one type of mechanical loader now used in many of America's Bituminous Coal mines.

the rface impr

the

Its "teeth," revolving toward the center of its "mouth," pick up the loose coal and pile it onto a conveyor belt which carries the coal back over the "head" of the machine and into a waiting coal car. A single machine such as this can load up to six tons of coal per minute!

Nowadays—thanks to the mechanization program sponsored by the country's progressive coal operators—more than 50% of all Bituminous Coal mined underground is mechanically loaded . . . more than 90% is mechanically cut . . . only about 5% is mined by pick and shovel!

As a result, America's Bituminous Coal mines are the most productive in the world, pay the best wages, and are being operated with greater safety than ever before. Between 1924 and 1946 fatalities per million tons declined 62%.

LIVING CONDITIONS of coal miners are keeping pace with improvements in their working conditions.

Today, about two-thirds—over 260,000—of the nation's Bituminous Coal miners own their own homes of rent from private landlords; the remaining one-third live in company-owned houses . . . at rentals below those ordinarily available to workers in other industries. For example, newly built modern homes in the Appalachian region rent for as little as \$18 per month.

Home-ownership among miners is increasing—due in no small measure to encouragement and financial aid from mine owners who realize that a man becomes a better worker and a better citizen as he develops pride in "a home of his own."

BITUMINOUS 🛍 COAL

BITUMINOUS COAL INSTITUTE

Washington, D. C.

Affiliate of NATIONAL COAL ASSOCIATION

UMINOUS COAL . . . LIGHTS THE WAY . . . FUELS THE FIRES . . . POWERS THE PROGRESS OF AMERICA

ROCK

TO THE SEA!



In addition to offering you direct service to and from Houston, Texas City and Galveston—plus connections with tidewater ports East and West—Rock Island provides expert information on safe packaging and stowing. Call your nearest Rock Island Representa-

Rock Island tive today or address:

A. J. Ferrell
Foreign Freight Traffic Mgr.
Chicago, Illinois

ROCK ISLAND LINES

Route of the Rocket Freights

SMALL • COMPACT • COMPLETE



Typical 15-station system

A operates for 6 a month

Words bring action quicker with the sleek-styled BELfone "Maestro" Intercom, Keeps you in immediate voice-contact with key personnel. BELfone saves time because its war-developed, miniature electronic tubes react instantly to fingertip Belswitch controls. The brown Durez plastic cabinet—12" long, 6% high, 5% deep—takes, little desk space. New flexibility makes it easy and economical to install more call stations at any time. Ask for details on BELfone 440 Series.



cost, but it also strengthens the kernels so there is less breakage in milling, and consequently better yield per barrel of rough rice.

• Supply—How soon the brand can reach out for national distribution depends on U. S. foreign policy—specifically, on how much rice is required for feeding liberated populations. Like all other rice mills in the United States, Converted is currently required to set

aside 40% of its production for government purchases.

Harwell's company now has two potential competitors, treating rice by somewhat similar processes. They are the Rice Growers Assn. of California, a Sacramento co-op, and Walton Rice Co., Stuttgart, Ark. (BW-Jan.5'46, p54).

• Key Area—Harwell chose to launch his product in the New York market to make the biggest possible splash with his still-limited civilian supply.

He hopes that this key market will eventually influence other northern areas toward greater consumption of rice in general, and of Converted Rice in particular. He takes for granted the southern market where per capita rice consumption averages 9 lb. annually, compared with an average of only 2 lb. in the North.

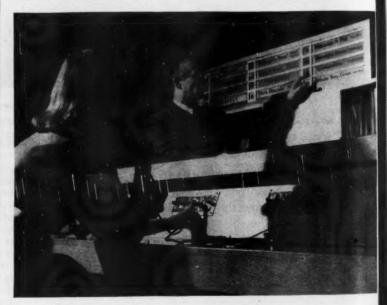
Jobbers' School A

Candy makers establishment training course for salesment independent wholesalers, to bolster their position.

In Boston this month the Nati Confectioners Assn. is launching a edent-making training course for bers' salesmen.

It is one of the first projects to advantage of the federal George-Ba act which appropriated \$2,500,000 help pay teachers of sales traicourses sponsored by business grounder in the sales an unusual approach to problem that haunts many other in tries: how to hang on to wartime agains, or a reasonable percentage the

• Competition Expected—Candy nufacturers fear that their wartime crease in productive capacity will re in an over-supply, once shortages from past experience they know too well the cut-throat price comton that would inevitably follow. I ing the war, while the industry's shit new highs, N.C.A. was quite the industry's shift new highs, N.C.A. was quite the industry in the industry's shift new highs, N.C.A. was quite the industry in the industry



OUIET RECORD BAR FOR BETTER SELLING

Now customers listen in on records through the earphones of a "Platarama." It's an automatic demonstrator built for R. H. Macy's by Arrow Electric Corp., Passaic, N. J. Macy's considers it a cinch for selling jazz, is testing it on classics. Customers indicate what they want to hear by pressing a button. Nonlisted titles are beamed by an attendant. The Platarama speeds clerks' work, sells more records. Curious shoppers listen to all the records listed—and the more they hear, the more they buy.

ASE HISTORY No. 4509

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"DITTO Eliminates Back Order Problem-Saves \$10,500 Yearly!"

In this report Mr. Harry G. Beebe, Industrial Engineer, Chain Belt Company, Milwaukee, Wisconsin writes: "Week or ten days was formerly required to bill customers on partial shipments. Now, with Ditto's One-Writing Plan for back orders, we bill the customers in one day.

- Estimated clerical savings of \$10,500 yearly.
- Order set Dittoed in less than a minute.
- When necessary, production copies also reproduced.
- Invoice set Dittoed through re-use of Master, without re-writing.
- · Back-order copies Dittoed without re-writing.
- Carries through to final shipment and billing regardless of number of back orders.
- Use of Ditto holds stationery costs at a minimum.
- · Cost of Dittoing remarkably low.
- Flexibility of Ditto Method proves great advantage.
- Intangible benefits more important than clerical saving."

Write today for the complete Case History of Case No. 4509 which gives complete facts on this Ditto system.

DITTO



ONE WRITING BUSINESS SYSTEMS

TTO, Inc., 668 South Oakley Blvd., Chicago 12, Illinois • In Canada: Ditto of Canada, Ltd., Toronto, Ontario



Here's today's answer to truck and fleet operators looking for bigger pay loads, greater operating economies, quicker repair service... Reynolds multiple-assembly aluminum truck bodies built from standard parts just the way you want them.

An experienced body fabricator right in your locality has a complete stock of Reynolds-designed and Reynolds-engineered van-type truck bodies. Thousands of different combinations of body models, lengths, widths, heights, floor levels, doors, linings, and insulations. Each truck is "tailor made" to fit your needs . . . ready for prompt delivery . . . can be repaired from standard parts right at your local distributor.

Great Reynolds Lifetime Aluminum Alloys, developed during the war, weigh only one third as much as steel yet with no loss of structural strength. This weight saving means more pay load... less wear on tires... greater operating economies.

This revolutionary aluminum van-type truck body and body service is just one of many recent developments by Reynolds, the great new source of aluminum. Through its greatly expanded facilities and complete quality-control of every step of production, Reynolds is supplying aluminum today for a wide variety of new uses in industry and in the home.

Write Reynolds for the name of your nearest body distributor. Reynolds Metals Company, Truck and Trailer Division, 1419-A Dixie Highway, Louisville, Kentucky.



REYNOLDS ALUMINUM
TRUCK AND TRAILER BODIES

Retail Ranks Multiply

The total number of retail stores has come up from its wartime low, and is now slightly in excess of the 1939 total. However, growth patterns of the groups show marked dissimilarities. For example, the number of automobile and other durable goods dealers has increased sharply, while all types of food stores are down. Here is the Dept. of Commerce comparison (figures in thousands):

	1939	1946*
All retail	1,601.4	1.616.8
General merchandise	36.8	34.9
General stores with food	37.7	28.7
Grocery	341.5	324.4
Meat and seafood	39.9	32.3
Other food	120.0	106.7
Liquor	15.3	19.7
Auto dealers	38.4	47.7
Auto parts	15.1	21.7
Apparel	73.0	73.4
Shoe	13.1	12.0
Eating-drinking	295.4	308.3
Filling stations	226.7	214.1
Home furnishings	29.5	39.5
Appliances and radios	15.0	18.4
Drugs	52.2	52.7
Hardware and farm im-		
plements	37.9	45.7
Lumber and building ma-		
terials	31.3	36.6
Miscellaneous	182.7	200.0
* June 30		

studying its postwar sales prospect It didn't take much self-analysis to discover that the dominant trend in candy distribution in recent years habeen a decline in the proportion of candy sold through independent whole salers. Their share dropped from 60.9% in 1937 to 41.7% in 1944. In costrast, direct sales to chain stores and other large retailers have risen. The reason was not a lack of retail distribution facilities. Candy is sold in mot

160

thir

than a million retail outlets. The trade believes it's second only to cigarette and matches in this respect.

• Weak Point—A study of candy whole

salers' operations in Detroit convinced N.A.C. that the weakest spot in it distribution system was the selling practices of jobbers' salesmen. When the George-Barden act extended federal air in distributive education to the whole sale level (the preceding George-Dear act had limited it to retail sales training), N.C.A. was ready to take advantage of it.

Money provided by the act is available through state education departments, on a dollar-matching basis. Through them it's available to local school boards on the same terms. For example, if a business group has an eligible program that will cost \$100 for teachers' pay, the local school boards.

BUSINESS WEEK . Mar. 15, 194

HOW TO AIR-CONDITION A RAT...

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1946* 1,616.8

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1 It shouldn't happen to a rat. But in vitamin research it does. Hundreds of these furry creatures must live in a constant temperature and humidity or the whole experiment goes haywire. Solution: a Taylor instrument controls conditions automatically. And speaking of temperature...





2 One of our fusslest lobs is short-time pasteurizing of milk. By this process, milk must be heated to at least 160° F. for at least 15 seconds. But at 161° F. the cream line starts to disappear. So controls are set for 160½° F. and temperature held within plus or minus ½° F!



3 We're working like begvers to help end the paper shortage. Our instruments help run almost every step in paper making from raw pulp to finished product. Whatever industry you'n in, let us help you ward off competition by keeping quality up and costs down!



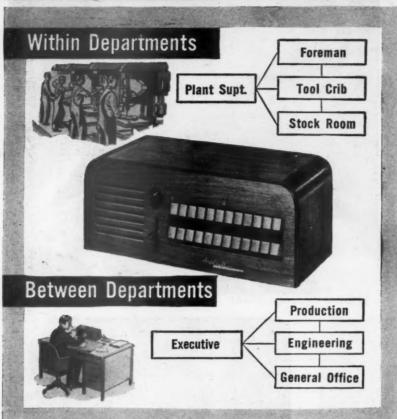
In fact we'd like to stick our neck out and say we can help solve almost any processing problem from making tougher tires to baking better bread. For example, our efficient Taylor Fulscope Controller will run almost anything from a jam kettle to a gasoline refinery.



5 Now it's March, the month of coughs and sneezes, and you need a trip to Florida . . . or a Taylor Binoc Fever Thermometer! Flat shape and triple lens make it 3 times easier to read! Tells you when to call the doctor. Taylor Instrument Companies, Rochester and Toronto.

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The unit illustrated is the W200 Series AMPLICALL which provides facilities for up to 24 master stations, permitting as many as 12 conversations to be carried on simultaneously. Fast, easy operation; clear, life-like speech; private. There is an AMPLICALL Electronic Intercommunication System engineered to fit your special needs, Installed by trained AMPLICALL specialists. Write us today for complete information.

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Get the profitable benefits of smooth coordination in your business with AMPLICALL—the flexible Electronic Intercommunication System. Just the touch of a button puts all key people within each department into split-second speaking contact, for instant solution of everyday problems—without the usual wasteful waiting, hunting, walking.

And an inter-departmental AMPLICALL System linking all the key departments of your business, makes overall operations smoother, faster; cuts errors, boosts work output. Naturally, executive overall control is easier, more effective.

For smooth, business-bettering coordination, put AMPLICALL Systems to work within each department of your business. Link them all together with an overall AMPLICALL System. It will pay you to coordinate now with AMPLICALL... write us today for details.

Rauland COMMUNICATIONS

THE RAULAND CORPORATION . CHICAGO AL ILLINOIS

puts up \$25, the state \$25. The federal government matches the total loo appropriation with another \$50

• A Study Course—N.C.A.'s ten-hou training course was worked out in or operation with the U.S. Office of Education. For texts it uses a serie of te training booklets covering tested sellin methods and merchandising technique Salesmen in turn can pass them along the retailers to boost their candy sales. With the booklets goes a teacher's manual prepared by N.C.A.

Candy wholesalers who wish to provide training for their salesmen buy the books from N.C.A. The association has put up \$60,000 to promote the training book lets. It will also pay the teacher's faif the local school board is unable to match state-federal aid for the course • Trials Made—The N.C.A. course has its first tryout in Baltimore last fall Top salesmen employed by 18 Baltimore wholesalers took the training there. A second tryout at Columbus Ohio, followed last month. The month's project in Boston is the fin regular course.

Wholesalers in other trading are are being lined up for local training courses as rapidly as possible. Events ally N.C.A. hopes to make the training available to most of the 50,000 sales men employed by its nearly 12,000 wholesalers.

Candy sales in 1945 reached \$620, 000,000, held about the same in 1946 Better trained salesmen, N.C.A. hops will help candy manufacturers read their sales goal of nearly a billion dollars annually within two years.

Grain Exchange and Co-op Slug It Out

The Minnesota Supreme Court has upheld the right of the Farmers Union Grain Terminal Assn. to purchase grain which its members had consigned to it for sale. But last month's decision didn't interrupt the slugging between G.T.A. and the Minneapolis Grain Exchange whose members bitterly oppose that right.

• Claimed Exemption—The original case was between G.T.A. and one of its members, Clinton Cooperative Farmer Elevator Assn. A friendly suit was filed to determine whether G.T.A. was exempt from a 1917 Minnesota brokerage law. This forbids any corporation doing business as a commission merchant from buying on its own account grain consigned to it for sale. G.T.A. contended that it was exempt because a 1923 law expressly gave it the right to buy sud products for its own account. It also holds that, as a cooperative association which divides its profits among mem-

Shaping up More Mileage for Your Fleet

It's a bright future he's shaping for youfilled with more revenue miles, smoother operation, fewer costly delays.

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The reason? He's shaping a tough new Kelly-the tire that's been known since trucks were born as the "trucker's tire"!

Records kept by many fleet operators bear out that statement. They prove in black and white that tough Kellys pay off in dependable service, help meet busy schedules on time.

Today's new Kelly is the best yet. Its sturdy body, made of tightly twisted rayon cord insulated with extra natural rubber, minimizes heat and friction. And Kelly's Armorubber tread compound is so tough, it actually outwears steel.

Match the new Kelly against any other tire. See for yourself what truckers mean when they say, "Kellys are built to last!"







If industry is your "baby" Connecticut has the successful "formula" to make it GROW!

Locate your factory of the future, or branch—in the State of SUCCESS—Connecticut! It will thrive mightily on Connecticut's distinctive formula for industrial growth.

Here it is! Yankee skilled workers; the ability of management and labor in Connecticut to work harmoniously, an enviable record; no State income tax for individuals; next door to America's greatest markets; vast, modern transportation network. A peaceful and picturesque state—that's Connecticut!

Our Industrial Research Division will show you the special advantages Connecticut offers to *your* type of industry. This service is free! Write to Connecticut Development Commission, Dept. BW5, State Office Building, Hartford 15, Connecticut.

Put your business in a "State of Success"

ONNECTICUT

bers and patrons, it was merely acting an agent anyway (BW-Jan.19 46.psi M. W. Thatcher, general manager the co-op, blamed politics for the atta

on G.T.A.

The Minneapolis Gram Exchange countered with this blast: "So long a human nature remains what it is, a man can serve two masters. Neither he as a receiver divide his loyalty between the customer he is bound to sen and himself, to his own gain." The change doesn't intend to change its ow rule based on the 1917 law.

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• Colorado Settlement—In Denver, somewhat similar situation was settle more amicably. Producers' Livestor Marketing Assn., a cooperative, acquire Drinkard & Emmert, a large commission firm on the Denver livestock ochange. Heretofore, the exchange haot had a co-op member, and its rule as well as federal rules, prohibit rebata to customers.

After an investigation both the change and the federal marketing age cies decided that Drinkard & Emma would continue to operate as an orth dox commission house since it will paits earnings to its new owners.

SALES TALK IN REVERSE



"Don't buy our pork," said Grand Union Co. in effect, "it's too expensive." This novel approach to retailing appeared last week when the grocery chain placarded its store windows, advised customers to boycott pork as a protest against its high price. Other meats, however, were still good buys, it hastened to add.

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BUSINESS WEEK . Mar. 15, 19

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(THE MARKETS-PAGE 118)

ccles Says Take It Easy

Warning by Federal Reserve chairman will make bankers ink twice before bidding up prices on long-term governments. The rate proposed to make bills more attractive.

Ordinarily, the Federal Reserve Board the Treasury run the government and market with a feather touch. But it so often, they decide to bring out whip and let the banks and other estors have a good look at it in case of them should feel obstreperous. Essentially, this is what Federal Re-

Essentially, this is what Federal Ree Chairman Marriner Eccles was dothis week when he went up Capitol I to testify before Rep. Jesse Wolt's House Banking & Currency Com-

Discusses Monetization—The main ject of the hearing was the question continuing the authority of the reve banks to buy up to \$5 billion in

government securities directly from the Treasury. This is a more or less technical matter. At times (for instance, just before a tax collection date) direct sales can be a great convenience to the Treasury and the Reserve Board, but they are not essential to money-market control.

Eccles did not confine himself to discussing the fine points of direct purchase, however. He spoke his piece in favor of indefinite extension of the authority. Then, he branched out into a discussion of his favorite topic, debt monetization—that is, the transfer of government securities from private individuals and institutional investors (insurance companies and the like) to the



arriner Eccles, chairman of the Federal Reserve Board, still holds a whiper the government bond market, even with a \$260 billion federal debt.

PROFIT SOURCES



IN THIS

New 1947 Treasury of

'NEW PRODUCTS AND SERVICES"

A completely new 1947 edition describing 850 new products being produced by 627 manufacturers.

Compiled from a nationwide survey now appearing daily in The Journal of Commerce, this 64-page tabloid lists and explains hundreds of new moneymaking ideas on the market today-new products and services for you to use, sell, produce or compete with, including names and addresses of sources. Get your copy now, then keep posted on additional new developments as they appear each day in the "New Products" column of The Journal of Commerce - America's complete daily business newspaper.

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Direct Drive Propeller Fans



Herman Nelson Belt Drive Propeller Fans

The interesting fact that Science has been able to create snow artificially by dropping pellets of dry ice into cloud formations from an airplane, may be of little practical benefit to your business.

On the other hand, proper ventilation is important to your business from both the dollar and cents and employee relations angles.

If you rely on the buying public for business, improved shopping conditions will result in increased patronage. If yours is an industrial plant, better working conditions will help speed up production, cut down accidents and reduce absenteeism. Maintenance of proper atmospheric conditions will cut costs if your business involves processing or storing of materials.

For the past 40 years, Herman Nelson Products have proven their superiority by providing greater economy and operating efficiency in installations all over America. That's why thousands agree you can't buy better heating and ventilating equipment than that bearing the Herman Nelson nameplate.



THE HERMAN NELSON CORPORATION MELSON

FOR 40 YEARS MANUFACTURERS OF QUALITY HEATING AND VENTILATING PRODUCTS

commercial banks, which pay for the

• Drain on War Loan Deposits.] the better part of the past year, Econopointed out, the Treasury has been tiring some of its publicly held debt drawing on the huge war loan deposit built up during the final Victory La Drive in the fall of 1945. This operath has put a certain amount of pressure, the banks and has kept them from hiding aggressively for securities now nonbanking hands.

From now on, reduction of the pulicly held issues will be on a considerably smaller scale. The war loan deposare pretty well cleaned out, and any additional retirement will have to be maded out of current receipts.

• Wants New Authority - Con quently, says Eccles, the banks may on again start bidding up the prices of longer-term government issues, the

SUN'S FAVORITE SON



In the Sun Oil Co., recommendations from a Pew carry weight. That's why Robert G. Dunlop (above) is pretty sure to be the company's next president. J. Howard Pew, for 35 years president of the company, last week announced his intention of resigning, recommended 37-year-old Dunlop as his successor. Dunlop has been with Sun since 1933, is now its controller.

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The Pew name will still be a powerful one at Sun. There are four other Pews in addition to J. Howard on the board. A brother, Joseph N., Jr., is also on the "recommended" list—for the newly created post of chairman of the board.



lways Dependable

's high praise for a product when referred to as lways dependable."

It more important than praise is what the product Il do for you . . . because of its dependability.

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on the he dependability of Dodge "Job-Rated" trucks ings you important benefits:

Your business prospers because dependable, interrupted delivery service attracts and holds stomers.

You enjoy lower delivery costs from dependable ality-built trucks that stay on the job... and out the shop.

Your trucks last longer because they fit your job. fact, the dependability of any Dodge truck begins th building it to fit a particular hauling job. It's bb-Rated."

our "Job-Rated" truck has the right capacity to

carry your loads . . . safely and easily. It has the right power to move your loads . . . economically. Each unit throughout . . . frame, engine, clutch, transmission, axles, springs, brakes and tires . . . is "Job-Rated" for your hauling needs.

For the most dependable truck you've ever owned, see your Dodge dealer for the "Job-Rated" truck that fits your job.

ONLY DODGE BUILDS "At-ROTAL" TRUCKS



175 BASIC CHASSIS MODELS FIT 97% OF ALL HAULING NEEDS

DODGE gob Rated TRUCKS



1916

When College Ave., Fi. Collins, Colo., was paved with portland cement concrete, it carried an average of 500 vehicles per day. Street roped off for dedication in October, 1916.

1946

Unretouched photograph taken from same spot after 30 years during which traffic increased to 8,500 vehicles per day. Street is on U. S. Highways 87 and 287.

> After 30 Thrifty Years...

CONCRETE street

carrying 17 times original traffic

The concrete pavement on College Ave., has been a thrifty investment for Ft. Collins' citizens and will continue to give years of economical service. B. G. Coy, City Engineer, says, "Except for joint sealing there have been no maintenance expenditures on this pavement since it was built."

College Avenue, main street of Ft. Collins, Colorado, demonstrates the fact that concrete pavement has the strength and durability to carry traffic without interruption for many years at minimum cost.

Portland cement concrete pavement can be economically designed for any condition of load or service for urban expressways, business thoroughfares, residential streets or rural highways—and usually costs less to build than any other pavement of equal load-carrying capacity and costs less to maintain.

Ask your city officials to specify concrete for your street construction.

driving down the interest rate. To p vent this, the Reserve Board would list Congress to give it additional authority over bank reserves and security portion (BW-Jun.22'46,p17). If Congress doesn't act (and no one in Wasington thinks the board's proposals has a ghost of a chance this session), it board may have to let short-term rate rise in an attempt to take the pressure off the long-term market.

In any case, Eccles told the comm tee, the board would like to see a high rate on the 90-day Treasury bills, shortest-term government security. bill rate now is pegged at \$%-that the reserve banks stand ready to buy bills offered them at that price. But 3% rate is purely artificial because maintain it, the reserve banks have hold about \$15 billion of the \$17 lion in bills now outstanding. board's experts think that if the were a shade higher, private investi would be willing to take more bills the reserve banks might be able to to their holdings.

• Promise or Warning?—Some banks consider Eccles' testimony a flat profise of higher interest rates in the nature, particularly on short-term sues. But old-timers in the governme bond market register only mild intered As they see it, the Reserve Board I made no promises. All it has done is sue a warning against pushing long-terms.

rates down too low.

What Eccles had to say about the rate probably can be taken at face val. The necessity of maintaining the rate on bills puts a serious crimp open-market operations. The total government securities held by the real reserve banks now runs around Sibillion. With \$15 billion of this tied in bills (and another \$7 billion in tificates), there isn't much elbow rot for operations in the other issues. En if they did not reduce their total put folio, the reserve banks would like make it more diversified.

• Boost Hard to Get—If the Rese Board can persuade the Treasury to along, it probably will boost the larte (which means cutting its buy price) to something like \$\frac{4}{3}\%. But he ing the Treasury into such a move to be hard work. Secretary John W. So der, like his predecessors, shies at a thing that might add to his \$5 bill annual interest cost, and when in do he likes to play safe.

Tampering with the rate on Tress certificates (now pegged at \$\frac{2}{9}\%) something else again. The Rese Board would try it only as a last rea and the odds are that there won't any need for it any time soon. It all pends, however, on what happens long-term rates in the next few mont • The Problem—Here is the situat that the monetary authorities—the Tre

PORTLAND CEMENT ASSOCIATION

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... through scientific research and engineering field work

There are three KINDS of CORPORATIONS whose BONDS and STOCKS are especially attractive:

The Corporation which has not unduly expanded during these last years and which has NO FLOATING DEBT.

A prominent one is the

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The Railroad Company which, through its NATURAL ADVANTAGES and its GOOD MANAGEMENT, has maintained good earnings and freedom from floating debt. An immance is the

UNITED STATES STEEL CORPORATION UNION PACIFIC RAILROAD CO.

Having 34,000 Common stockhold

The Corporation whose long history shows that its EARNINGS are not only SUFFICIENT, but CONSTANT, through periods of depression or activity.

AMERICAN
TELEPHONE & TELEGRAPH CO.
Haring 138,000 stockholders

There are many other properties which belong in some one of these three classes;
we shall be glad to give information concerning them.

KIDDER, PEABODY & COMPANY

Reproduction of Advertisement published January 3, 1921

Mr. Corporate Executive:

Remember 1921 and "Floating Debt"?

In 1921, during the postwar period of World War I, this firm published an advertisement recommending the securities of American Telephone and Telegraph Company, United States Steel Corporation and Union Pacific Railroad Company because, among other favorable factors, "they had no floating debt."

This criterion was important then, because as now, there had been a period of rising material and labor costs and a rapid expansion of production. This expansion, in many cases, had been temporarily financed by the creation of

floating debt which became troublesome to many companies.

For similar problems facing industry today, we recommend sound planning now to correct any unbalance between temporary and permanent financing as the best means of riding out the uncertainties of expanded production and marketing programs.

It is a matter of plain business foresight to weigh contemplated financing policies promptly. A discussion of your plans with one of our partners may throw new light on alternatives under consideration.

KIDDER, PEABODY & CO.

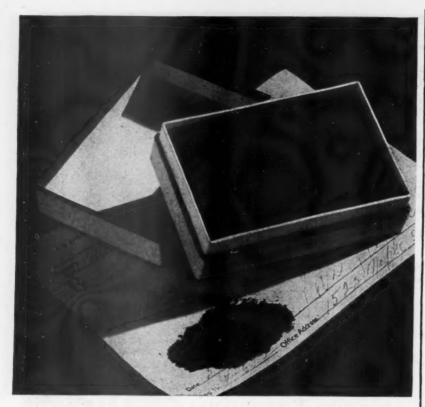
FOUNDED 1965

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Remedy for red ink rash*

(*for executive use only)

Say "Ah-h-h," Mr. Executive.

A rash of red ink, hm? Production costs steadily climbing, you say?

Well, there's an effective medication for your troubles-one that will help you cut down those excessive expenses in a hurry.

The prescription? It's called Carboloy Cemented Carbide—the hardest metal made by man. Formed from the powder you see pictured into blanks for tools, dies and wear-resisting parts, Carboloy * is the greatest single factor for reducing manufacturing costs that modern industry has ever known, BECAUSE:

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That is why Carboloy is held by authorities to be one of the ten most important industrial developments of the past decade.

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The odds are 10 to 1 that Carboloythe amazing metal of many uses-can be put to work by our engineers to give your products higher quality at lower cost. Call us in for consultation.

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HARDEST METAL MADE ury and the Reserve Board- ave deal with:

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The national debt now stands about \$260 billion, with roughly \$17 billion of it in marketable issue. Price and yields have adjusted to the inte est-rate schedule the Treasury esta lished during the war financing. The ranges from \$% on the 90-day bills u to 21% on 20-year bonds. The Resen Board is committed to support all go ernment issues at par, both to prote investors and to make sure that the Treasury never gets caught short on refunding.

There never has been any question about the reserve banks' ability to de liver on this commitment. Paradoxically the trouble is that the market has buil up too much faith in the control ma

chinery.

If a banker is sure that the monetar authorities will support a ten-year 29 bond at par, he is sorely tempted to bu it instead of a 3% certificate. A ver or so ago, many banks were doing just that. They were bidding energetical for the longer-term issues held by private or institutional investors at the same time that they were selling of some of their holdings of short-tem securities.

• The "Pattern"-This is what the Re serve Board means when it talks about "playing the pattern of the rates." From a monetary control standpoint, sud playing the pattern has two unfortunat

effects:

(1) It expands total bank deposits be cause the commercial banks create new deposits to pay for the bonds they buy they get reserves to back the new d posits by selling short-term securities to the federals.

(2) It drives up the price of long term issues (thus lowering the rate) an weakens the price of the short-term The federals then are forced to under take support buying to brace up the short-terms and thus they indirect finance the boom in the long-term issues market.

The first spree of playing the rate pattern ended last spring (BW-May '46,p19) when the Treasury's debt is tirement policy began to make itself felt The Reserve Board helped break up the party by knocking out its preferentia discount rate for short-term paper which was a step in the direction firmer short-term rates.

If the long-term market should start booming again, the only way to stop would be the one Eccles suggestedboost the peg on the short-term rate This would make long bonds compara tively less attractive and precipitate spill in price.

But to tamper with the short rate now would be to risk driving the long below par. There's no sign of a boom the market these days; most issues an

at no more than a couple or

points premium.

reful Voice—Consequently, exnced hands in the market conclude
the Reserve Board won't move unthe prices on long-term bonds get
fhand. And they are not overlookthe fact that Eccles' warning will
good deal to keep a boom in the
market from getting started. Bankill be considerably less enthusiastic
paying a premium for bonds if
know that the Reserve Board may
the short rate and drive the longs
to par.

cles, of course, knew this too. The bone" powers of the Reserve Board ist as much a legitimate technique nonetary control as open-market

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FACE ON SEC

west appointee to the Securities change Commission is 52-year-old A. McDonald of Detroit. An ac-Republican, McDonald heads the tment firm of McDonald-Moore and holds directorships in several orations.

ter graduation from the Univer-



Harry A. McDonald

of Chicago and two years in the during World War I, McDonald ed for Cleveland Electric Illumity Co. Later he joined Arctic Products, of which he subsettly became president. In 1932 he ed his own investment firm dealing wernment, municipal, and corpobonds, and underwriting corporate lites.

Nice place to raise a family...

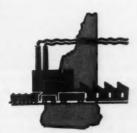


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"Where there's a Plus in every pay envelope"

More important than wage alone, is the kind of living it buys. In New Hampshire, workers enjoy every day an environment available to many others only during precious days of vacation. This is in a large measure responsible for New Hampshire's excellence as an industrial location. Those who live well, work well!

Along with an environment which favors happy, healthful living, you'll find that low power rates, proximity to mass markets of national importance and a highway system of year-round excellence all join to further emphasize the ideal nature of New Hampshire as a home for small and medium sized industry.



VALUABLE to you will be the informative booklet, "A Plant in New Hampshire." Just address: Edward Ellingwood, Industrial Director, 747 State Office Building, Concord, N. H.



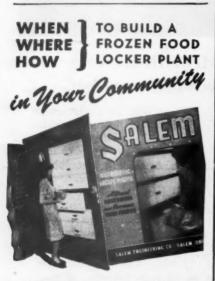
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LOUISIANA PURCHASE, KANSAS CITY STYLE

New Orleans charm in a Kansas City ticket office encourages travele to tour via Kansas City Southern Lines. The railway claims exclusi "through" rail service between the cities. Under a century-old iron by cony, customers dream up trips to French Quarter original of the setting

Detroit Pays

City officials are angered by 2.48% interest on \$12 million equipment issue; they expected bids of around 1.5%.

Detroit's city officials are smarting over the recent sale of \$12 million of Dept. of Street Ry. bonds to Lehman Bros. of New York City. They think now that they made a bad bargain.

• Only One Bid-The city's common council authorized issuance of \$21million of bonds to finance purchase of new equipment. The council and the department had expected to pay an interest rate around 1.5%. Bids were called for on \$12 million of the issue.

The offering met with strange silence. Some houses said they were so involved with the large numbers of state veteran bonus bonds coming onto the market (BW-Mar.l'47,p60) that they could not consider the Detroit issue. Much was also made of the way the Moody Investment Service looked at the forthcoming bonds-giving them a BAA (fourth highest) rating, to which Detroit officials took violent exception.

The result was that only one bid was received, that from Lehman. The interest cost, based on a \$1,200 premium for the issue, amounted to 2.48%; it

attracted good buying interest when bonds were offered publicly.

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· City Officials Angry-The com council boiled at what was considered a high rate of interest, especially it was compared with the 1 47% soon obtained by the state of Mid on a \$200 million veteran bonus Complaints grew over the fact that 30-year life of some of the bonds average maturity is 14 years-is than the equipment they will fin Also, the bonds include a clause pe ting bondholders to obtain a cou ceivership if the system should do on its obligations.

Feeling thoroughly stung, the co is mulling the possibility of div the remaining \$9 million of the au ized issue into two or three smaller ings. That way, the city council h Detroit houses and others may the bidding and cut down the in rate. Councilmen are irritated some of the Detroit partners in Lehman syndicate. They are saying the reason more bids did not a was that the houses "got together" stood behind the one bid.

• Fair Comparison?-Wall Street nicipal finance experts, however, that Detroit's city fathers have judged the situation altogether They point out that, until it sol bonus bonds this month, Michigan since 1944; that the state has a last year been free of all outstanding direct

BUSINESS WEEK . Mar. 15, MESS

wed a much higher credit standing its largest city. Moody, for examgives its new bonds AA (second-est) rating; even so, they required iderable "selling" to the public.

TERSON TAKES OVER

of the gap created by the appoint-tof Lewis W. Douglas as ambassa-



Alexander E. Patterson

to Great Britain (BW-Mar.8'47, Mutual Life Insurance Co. of New has elected Alexander E. Patter-president. Patterson began his er as salesman for Equitable Life rance Society. Later he joined Penn hal Life Insurance Co., where he to vice-president. In June, 1941, rent with Mutual Life as vice-presit in charge of insurance operations, served as executive vice-president trustee since early 1942.

ouglas has been elected chairman he board, granted a leave of absence out salary.

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L PLANS BIG ISSUES

lthough 1946 over-all operating revof the Bell System reached a new , and earnings per share increased, e subsidiaries have felt the need to dividends.

acific Telephone & Telegraph Co., ch paid \$1.50 last March, will pay \$1 this month; New England T. I. has cut its quarterly rate from to \$1.25; and Illinois Bell has pped sharply from \$1.50 to 50¢.

amings on the parent company's tes from its own operations in 1946 \$9.42, compared with \$8.66 in 5; earnings per share on a consolid basis were \$10.23 compared with

ast year the Bell System expended

\$690 million for new facilities; this year it contemplates an additional \$750 million of new construction. It obtained \$550 million of new capital in 1946, and considerable financing is planned

Already registered with the Securities & Exchange Commission is A.T.&T.'s initial 1947 financing operation. This will involve the sale of \$200 million of additional debentures, the largest block of new corporate securities ever to be offered publicly. Wall Street also looks for this to be followed by a second offering, perhaps as large as \$500-

BANK'S AMBASSADOR

In recognition of the snowballing complexities government has brought to modern banking, California's Bank of America last week had a new job for one of its top executives. The position: a sort of vice-president in charge of keeping the government happy.

Named to the post (official title: vicepresident in charge of governmental relations) was Walter E. Bruns. A native San Franciscan, he has been a vicepresident and trust officer since 1940. He also had the important qualification of diplomacy. In addition to 18 years' service in the A. P. Giannini institution, Bruns is an attorney, with experience in public office.

Routine relations between the bank and the various federal agencies will not



Walter E. Bruns

be altered. Bruns' job will operate at the policy level. Diversity and number of federal government agencies in dayto-day contact with banks pointed up the need for such a coordinator.

The National Plastics Exposition will present to the midwest and the nation a truly representative showing of all the new materials, machines, equipment, processes in the growing field of plastics.

It will be an industry show. To industrial purchasers, store buyers, engineers and designers, SPI extends a cordial invitation to visit the exposition.

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NATIONAL PLASTICS EXPOSITI

OF THE PLASTICS INDUSTRY The COLISEUM, CHICAGO MAY 6 • 10, 1947 *



How to use the methods of outstanding leaders

to solve your own executive problems

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EXECUTIVE

By FRED DE ARMOND Formerly Associate Editor, Nation's Business 251 pages, 51/2x8, \$3.00

Here, clearly explained and demonstrated, is the real basis of top-ranking executive leadership. This manual gives you the success pointers in each area of business leadership requiring executive thought and action: organization, time and energy conservation, getting the facts, blueprints for action, following through, teaching others, using the proper words, getting along smoothly with others, the art of self-command, bossing the experts, etc.

Read over this partial list of leadership practices this manual demonstrates for you:

- how to translate ideas into action
- how to organize for efficient, decentralized execution
- how to "make time" for yourself by careful planning
- how to apply facts to the solution of problems
- how to profit by a free exchange of views
- how to blueprint your plans for action
- how to combine rea-son and instinct in arriving at decisions instinct in
- how to use the words that move men to ac-
- how to time your ac-tion to the psychologi-cal moment
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LABOR

Solidarity on the Right

Group of C.I.O. locals organizes to fight Communists in N York City unions. Although the committee is purely local in ch acter, its actions are bound to have nationwide repercussions.

The spreading, but thus far disjointed, rank and file attack on left-wing power within the C.I.O. had a center of gravity this week. Its locus, like the headquarters of the Communist movement it opposes, is New York City.

• New Right-Wing Group-Last week representatives of 68 locals in 13 C.I.O. international unions functioning in and around New York formally organized the Trade Union Committee for Democracy. Its first objective is to get the leftish Greater New York (City) Industrial Union Council reorganized.

Its tactics call for its affiliates to do a better trade union job than the Communists, to label a Red a Red and make no mistakes in identification. Its ultimate purpose is to drive the Communists from positions of influence and control in the labor movement.

• Repercussions-Although it begins as a purely local organization it will inevitably, if it can avoid some imminent pitfalls, affect the national labor picture. Even if it concerns itself with New York situations exclusively, the importance of organized labor in that city and the numerical strength of opposing forces will have repercussions throughout the C.I.O. and if the T.U.C.D. can demonstrate some success, it will have branches or imitators all over that part of the industrial landscape which is the C.I.O.'s stamping ground.

T.U.C.D.'s founders emphasize that the group has no plans for action outside the metropolitan New York area. Despite this, many proposals for joint action have been received from similar groups elsewhere. Right-wing factions in Detroit, Cleveland, Los Angeles, Newark, N. J., and other cities have proposed coordination. But T.U.C.D. has declined all offers; it has emphasized

its purely local status.

• Two Reasons-Its refusal to enlarge its scope was based on two very important grounds. T.U.C.D. is convinced it has all it can handle-with some tacit C.I.O. support from Washington-in its own New York fight. And, importantly, it was clear after the 1946 C.I.O. convention that national union officers will not sanction open warfare between the union's right- and left-wings on a national scale (BW-Nov.30'46,p64).

Such a civil war, in the eyes of C.I President Philip Murray, would er a grave risk to the union. It would be a quick official crackdown. T.U.C. first hazard is to avoid an order f Murray to disband.

• Always Leftist-The New York council of C.I.O. was organized e in 1940. T.U.C.D. founders say it gan to show left-wing tendencies the same year. Hence, many right-w locals declined to affiliate with the

tral body.

Currently the T.U.C.D. says about 132 of 300 locals in the me politan area, and about half of C.I. 500,000 city members, are not resented in the council. The coverage even smaller until 1945, when strong, mostly right-wing Amalgama Clothing Workers of America agreed join the council. It had refused before charging Communist-domination of council

• Four Years Ago-A plan to organ all unrepresented locals into a loc knit citywide committee-to avoid of plaints of dual unionism it would h to be unofficial-was first bruited years ago. It was dropped in 1943 of personal appeal for unity by the l Sidney Hillman. The plan was revi last October, and last month it beg

ALL-FIE

to take shape formally.

Last week the committee finally a terialized. At an organizational meet Jack Altman, anti-Communist vice-pre dent of the Retail, Wholesale & Depa ment Store Employees, was nam chairman. Charles H. Kerrigan, p Walter Reuther regional director of t auto workers, was elected secreta treasurer. Aiding them will be a co mittee of representatives from unio of steelworkers, auto workers, rig wing electrical workers, rubber worker textile workers, utility workers, brew workers, right-wing transport worker plaything and novelty workers, shipya workers, oil workers, right-wing pub workers, and retail workers. Also int ested in the New York organization right-wing members of the America Newspaper Guild, who have offer support.

• Only Temporary—The New Yo T.U.C.D. made several significant p nouncements: It is to be a tempora





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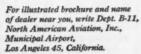
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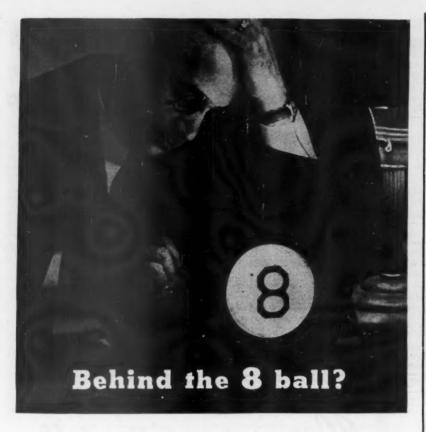
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UNION METAL

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body, to function only until the trial union council can be reorg on "democratic" lines; it will be to C.I.O. members and affiliates. will neither have nor seek official status; it is in no way intende "break" ties with C.I.O., but seeks to strengthen unity within the it plans to fight Communism-a other totalitarian influences-on cratic lines.

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It will not advocate expelling munists from unions, or limiting rights. It will fight only to p "tightly-organized left-wing mino from winning and exercising con over unions, and to keep them from ing unions as "a spearhead of the for power of a foreign nation."

• Next Move?-Strategy ahead st closely-guarded. Conceivably, it wi clude an appeal for appointment be national C.I.O. of an administrator the New York council. If this done, C.I.O. locals now outside council would affiliate with it. added weight would, they believe, the right-wing a victory in the council election.

Use of such a technique was cized by Joseph Curran, presiden the New York Council, as "intence by an outside tie-up." Significa Curran himself is now shakily on right, and is finding himself engn in a fight against leftist officers own National Maritime Union (8 Feb.15'47,p102).

Curran has indicated that he sympathy with T.U.C.D. object However, he advocates immediate ation by right-wing locals, and us "the democratic machinery of C.I.O. council" to correct "any is affecting the welfare of C.I.O. men

in New York. Right-Wing Victory—Meanwhile right-wing revolt in C.I.O.'s Mine, & Smelter Workers (BW-Mar. p91) gained its first objective. Presi Reid Robinson handed in his res tion to the union's executive board "unity" move. Robinson, charged being a consistent follower of the munist "party line," told the board he did not want his "personal cond to injure the union. The reference to charges that he sought a loan from employer.

Robinson's resignation elevated rice Travis, M.M.S.W. vice-presid migh to the union's top job. However, unlikely that Travis will be able mploy whole conciliate the right-wing secession He, too, has been linked by them nide 1 left-wing politics in the union.

Representatives of about one-thin M.M.S.W.'s 250 locals met last end in New York City. They to formalize talks about affiliation w have been held unofficially with and shipyard unions.

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All-out organizing drive is as result of Supreme Court g in Packard case. Congress y to block easy sailing.

he Foreman's Assn. of America, pendent union of supervisory emes, can figure on 60 to 90 days whirlwind organizing campaign. he result of this week's U. S. Sule Court decision in the Packard in which the right of foreman ns to Wagner Act coverage was upby a 5-4 vote—F.A.A. organizers clear track.

the unobstructed run which they begin will almost surely be ended to passage of a new law. By specifistating that supervisory employees of employees by Wagner Act defin, it would reverse the rule which Supreme Court laid down.

mbling Blocks—Such a statute will destroy F.A.A. or other supervisory in it will, however, make organizand the winning of employer recognizations of men will have to operate in the premer Act pattern under which recognized was most frequently won by

ing.

learly, men will hestitate longer

e joining a union which might

on them to make a substantial sacribefore it can deliver benefits. But

equally clear that those who join

be demonstrating, in effect, a

er determination to carry through

eir objective.

ore Strikes?—A paradox flowing from Wagner Act amendment directed at nen may well be to make these is of supervisors the most necessartike-minded on the entire labor. Nor can the F.A.A. be expected the text such legislation placidly. It is bitterly contested in the courts. It is not the expected statute has also been suggested by Paul Herzog, man of the National Labor Rela-Board. He told the Senate Labor mittee that all the bills he had seen hare intended to bar NLRB from han cases are so loosely drafted that might let an employer classify all imployees in such a way as to take whole plant out of NLRB jurisdic-

ride for Legislation?—But before gress acts it may have to study and foremen decision still to come the Supreme Court. In the pendones & Laughlin supervisory union (BW—Dec.7'46,p80) the major is whether foremen may be ald to join unions of rank-and-file

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production workers. To many, that is more important than the Packard case.

• Not the Front Line—In ruling against Packard, the Supreme Court majority said the company's contention that foremen acted directly "in its interest" applied to every employee and did not distinguish supervisory employees. It

also brushed aside the Packard of that the foremen were in the "front of management."

The sharp dissent of the minimal pointed out that such reasoning and entitle an organization of corpora vice-presidents to all the protection the Wagner Act.

THE LABOR ANGLE

Nugget

In the mountainous record of hearings accumulated by the Senate and House Labor committees, there are some golden nuggets. Consider for example the colloquy between Sen. Robert Taft and Minnesota's former Gov. Harold Stassen—both presidential aspirants.

Stassen has appeared before the committee over which Taft presides to present a detailed program of legislative recommendations. Among them is one which would make mandatory a secret vote on whether to strike after a period of union-management negotiation has failed to reach agreement. As Stassen describes how this would work, Taft breaks in with a comment which concludes, "I think it is all right to try it, but as a solution of the labor problem I think it is just trivial. I think it is trivial as far as being a final solution of the problem. I think the men are more radical than their leaders in most cases.'

Disagreement

To which Stassen spiritedly replies, "I definitely disagree with you Senator, and my experience for eight years in Minnesota has been just to the contrary. In other words, if you believe in democracy fundamentally, and if you have confidence in the rank and file of the workers of this country, then I say if you give them a chance to be well-informed and to cast a secret ballot, you have the firmest possible foundation for labor peace. . . ."

The philosophic politician can relish that exchange. He might say that, insofar as these two men are representative, the wing of the Republican Party to which one is attached is cynically-minded, the other idealistic. He might say here is one mind disenchanted, another moved by faith. The possibility for musing opened by such a revealing fragment is almost limitless.

But the businessman will not be able to forget that this exchange was developed in the context of a mational debate on what to do about labor problems. He will need to know who is right because the vital question on which this sharp different of opinion develops lies at the hear of the problem we face, and its answer will determine the wisdom of solutions which are being offered.

Overlooked

For if Taft is right, that "the ma are more radical than their leaders," we proceed best toward the goal o labor peace by strengthening the hands of those leaders of the unions by giving them a larger measure of control over their members than the now possess.

And if Stassen is right, we do the opposite.

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But history suggests that neithe is more nearly right than the other Ruling out the exceptional—in which group each man would find almost as many cases as the other with which to document his position-something essential seems to have escaped them both. For labor leader ship is not significantly different in character to other kinds of voluntary leadership.

Invalid

By and large, no such distinction as Taft and Stassen would make be tween union leader and member is valid. If that leadership has any permanence, it is neither more nor less radical than the majority of those who follow it. By a process of constant interaction, of influencing and being influenced, the leaders and the rank and file keep in step. Once that step is broken, the tenure of the leadership is seriously threatened.

We are lucky that the facts do not require us to accept either the Taft or the Stassen views on this issue be cause the choice they offer us is a very hard choice indeed. If we begin making sharp distinctions between the unions and the men who lead them, we shall shortly find ourselves up a blind alley.

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Slow death by water

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Water's a killer. In a subtle torture once practised in the Orient, murder trickled from the dragon's mouth. Drop by drop, it meant slow death to the victim. This devilish practise of a bygone day may seem remote to you—but insidious water torture is much closer to home. It can be as near as your garage. It can mean slow death—to your car.

Here's what water does to your car's radiator. It's simple chemistry—and destructive. The water absorbs oxygen from the air. Then the oxygen attacks the metals in the cooling system which become rusted and corroded. It's slow death by water.



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Marathon strike at II settled on same terms the pany offered last October security not granted.

One of the nation's manthon (BW-Jan.11'47,p86) ended in I Wis., this week. Employees of I. Case Co., members of the Auto Workers (C.I.O.), vote bulently (927 to 448) to end the day walkout. In doing so they ag accept a wage increase of about hour and minor "fringe" benefit as an improved vacation plan.

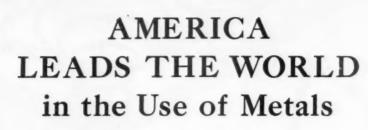
· No Security Clause-The union to achieve its major objective: a security clause. This was the n sue from the start of the strike of 26, 1945. U.A.W. first deman closed-shop clause, then in tum for a union shop, maintenance of bership, and, finally, a simple ch of union dues. It got none of

Dissatisfaction over the J. I. C tlement was immediate in high tionalized U.A.W. Pro-Walter R spokesmen-who strike settlement-said the finance crease makes the J. I. Case works second highest paid in the farm ment manufacturing industry. The mitted that otherwise the result a good contract, but said it wa best we could do." Dissidents, in the leftist, R. J. Thomas camp described the settlement as a • Offers and Counteroffers-The originally demanded a 30¢ hou crease, and the company offered cember, 1945, the then-standard raise. Last October the company its offer to 25¢ an hour, and agr give practically all benefits provi the new contract-but no union s in any form. It was on the ba this offer that the union finally

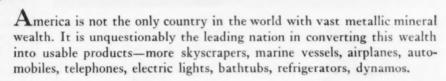
The company agreed to take a ers back without discrimination this week was sending return-to notices to the 3,500 U.A.W. m employed at the Racine plant. · Spotlight on Allis-The Case

ment leaves the labor relations sp focused more squarely on U strike at the Allis-Chalmers Mig Maneuvering for control there re left anti-Reutherites securely saddle (BW-Feb.15'47,p90). And it was members of this group wh terly criticized the Case settle there is little likelihood it will sa any similar compromise at Allis.

Thus the factional aftermath Case strike will almost surely stiffen the resistance of left-wing ists at Allis-Chalmers.



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The American metal mining industry, when it went to war, astounded the world with its production of aluminum, copper, iron, lead, zinc and other metals. In times of peace, the industry assumes a vital role in making the United States a great nation—doing 40 percent of the world's work with only 7 percent of the world's population!

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Congressional hearings new legislation draw para of witnesses, whose testimo provides no surprises.

Before the month is out, the Rep lican idea of how the government she deal with labor problems will be veiled. It will, of necessity, be a o promise with necessity. Three were factors keep it from being what an its sponsors will defend as ideal:

(1) A bill must be presented w will get not only majority support the backing of two-thirds of Congre so that a presidential veto, if it con can be overridden.

(2) A law must not be so drastic those against whom it is directed will in less jeopardy by sabotaging its forcement than in being subject to penalties.

(3) An election is scheduled for n year in which some labor votes will needed by any candidate for nation office if his candidacy is not to be f doomed to failure.

• Hearings-Within these decided ! itations, Republican majorities on Senate and House Labor committees offer legislation which is the product seven intensive weeks of hearings both sides of the Capitol.

A parade of witnesses gave sena and representatives their ideas of w was needed. Presidential politics too bow in the appearance of Harold Stassen (page 98), avowed candidate the Republican nomination, before Senate committee headed by Robert Taft of Ohio, who also has an eye the White House.

· Clews-The hearings, through qu tions asked, developed clews to how legislators themselves were thinking specific alterations in labor law. A of agreement and disagreement beca exposed. With some exceptions, witnesses on the whole produced li that was not known in advance.

And it was a familiar lineup: la against any changes, industry for the government for hardly any.

• Labor's Viewpoint-Only by pen ent prodding did the House commit scratch the stone wall of labor opp

A.F.L. President William Green of ceded that the A.F.L. will not opp free speech for employers, short of o cion; will accept union registration wi out licensing and the filing of finance statements.

But John L. Lewis, C.I.O. Presid Philip Murray, and others from la stood their ground: No change! The suggestions? Remove underlying can ellow-de labor dissatisfaction through im-ed wages, working conditions, secur-

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overnment Suggestions-From govnent officials came some affirmative estions, not many. From Labor etary Lewis B. Schwellenbach: Promeans of settling jurisdictional diss: ban those secondary boycotts h would force an employer to coman unfair labor practice.

rom Paul M. Herzog, National or Relations Board chairman: Any nge should "enrich" the Wagner which his board administers.

siness' Ideas-Management ideas change were plentiful. Chief target: twelve-year-old Wagner Act, "labor's gna Charta." Objective: Eliminate minination in labor's favor.

he words of W. Homer Hartz of cago, president of Morden Frog & ssing Works, speaking for the U.S. imber of Commerce, typified emer sentiment: "We favor wholesale sion of the Wagner Act." he National Assn. of Manufactur-

through Ira Mosher, executive-comthrough Ira Mosher, executive-com-tee chairman, advised that industrial a could come through elimination four "root causes" of strife: industry-e bargaining, closed shop, secondary tott, and mass picketing. **Receptions**—In general, industry wit-ses concurred in this. Exceptions: Umon E. Roth, president of the

tional Federation of American Shipg, Inc., predicted chaotic wage conons on ships if industrywide baring were banned.

vincent P. Ahearn, executive secre-of the National Sand & Gravel a., and industry adviser to the U.S. aciliation Service, urged "caution" in ling with the closed shop and inbywide negotiations.

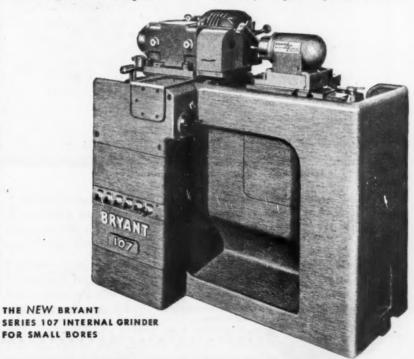
losed Shop Hit-Of the closed shop, al B. DeMille, movie producer, said: is slavery." General Motors Presit C. E. Wilson avowed he would ome a farmer before he would sign

losed-shop agreement. Most mode:ate of industry witnesses Eric A. Johnston, speaking in be-f of the Committee for Economic elopment. He advocated making lective bargaining more effective. en the House committee brought up mmunism, Johnston was less commising: "Communists are foreign

nts; they should be barred from on leadership. Views of Congressmen-Committee mbers gave freely of their views. ayne Morse of Oregon, labor friend, he will vote against the closed shop he can be convinced such a ban

sn't violate "freedom of contract." sees no difference between a ban on closed shop and that existing against flow-dog" contracts. Sen. Irving M. s of New York to Lewis: "The WagA new machine for small jobs..

fficient plants use machines specifically designed for a certain range of work sizes. For greatest efficiency in the grinding of small holes (¾" to 3"), Bryant offers the new, small Series 107 Internal Grinder. • The Series 107 is designed for tool room and small lot grinding. It has a chuck swing of 9 inches, a maximum traverse stroke of 6 inches and a maximum grinding stroke of 4 inches. Provision can be made for 11" swing. Preloaded ball bearings are used on both cross and longitudinal slides. This allows the use of a very light wheel slide, yet provides the utmost rigidity and sensitivity necessary for extremely precise work with quality finish. The new Series 107 uses the Bryant High Frequency Wheel Head as standard equipment. This provides direct wheel spindle drive at speeds up to 100,000 r.p.m., assuring the efficient surface speeds so necessary when grinding small bores. Belt drive is available for slow speeds. • Although a minimum of floor space is required, operator comfort has been carefully considered. The simplified controls are conveniently located, and the operator may operate the machine, either when standing or sitting. Write for complete details on this new, small internal grinder that is functionally designed to grind small bores.



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- e Sturdy, lightweight, compact construction
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- Low maintenance charges
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CONTAINERS FOR GASES, LIQUIDS AND SOLIDS

ner Act should affirmatively state ployers' rights to free speech."

When all was over, there were propositions on which labor and agement spokesmen agreed. They against compulsory arbitration and ation of a mediation board. They get arbitration, but may be saddled another government board.

awy

HOLLYWOOD MUDDLE

Movie-like abduction and beam studio strike leader Herbert Sorrell low) has focused new attention Hollywood's muddled labor problem Sorrell recently was found bound beaten in the barren Mojave Delte told police he had been seized three men, pistol-clouted about head, left for dead.

Sorrell's striking Conference of dio Unions and the International ance of Theatrical Stage Employ both A.F.L. affiliates, have been fen for two years over studio-set juntional lines (BW-Oct.5'46,p100), recent months, I.A.T.S.E. has gua a strong upper hand.

There were quick hints by C foes that Sorrell's "beating" was plain his own strike offices, timed remobilize support for a flagging C campaign. Sorrell partisans, how could point to a long list of other gings, beatings, and "strong-ar stuff" in the internecine fight. So they charged, was only the latest most notable victim.

Meanwhile, a studio carpenter—with Sorrell's C.S.U.—asked the H Labor Committee in Washington probe the dispute. He warned of utter disregard for law and order in lywood," and testified that because chose to appear before the House ghe was "in danger of [his] life."



For studio union leader Her Sorrell, a beating and hospitalizat



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Convention Ma lork G

U.A.W. meeting to demands on General A lacks the determined aring of last year's prestrike se

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In November, 1945, de egates General Motors council of the Auto Workers (C.I.O.) met at in angry mood. They listened t leadership describe their wage d in terms of righting economic in and they vied with one another ing aggressively for change. That they approved the strike which in G.M. a few days later, and with tight lips out of their

The same council met last we at Detroit to hear the shape of coming demands on General Mo criticize and expand them. The as always in a union meetin sonorous, old-fashioned. The disc of demands were, as always, i But the 200-odd delegates came their meeting room smiling. The be another sign (page 15) of the things ahead on the labor front, • Council Setup—A council U.A.W. includes two delegat each plant affiliate. Most loca their two top bargaining officia president and the chairman of t gaining committee.

They came to Detroit at local expense, covering actual cost of and hotel room plus a maxim \$8.50 per day for other expenses.

Presiding at such sessions is the man of the bargaining commit the department, in this case Frederico of Buick Local 599, eran at negotiating. Frederico, delegates felt, made a good cha He is fair to both sides in a bate, he holds the meeting in order, and he is quite at home complexities of parliamentary la which such a meeting often drifts t so th • Reuther's Report-The agend such meetings is fairly constant on deleting know at are the feel the ential there are reports and recommend from the department director a director. U.A.W. President Wal Reuther has stayed at the head G.M. department, and he had a la analysis and report of cond ypical g s, and p which ing or he Old Codirector John Livingston, a R lieutenant from Kansas City, wh is a regional director, followed more details.

gate at in 40 a community. W. vet early ur These reports outlined pro faced in day-to-day negotiating tions. Wage-raise policies, throu were discussed in terms of bread, clothing, shelter, and fuel for 5 week workers whose average take of yo

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Most notable demand formued by the United Auto Work-(C.I.O.) for presentation to eneral Motors is for a "guaraned work week"-offered as a first toward the guaranteed annual e. Now, most plants do little than guarantee four hours' I in pay for each day an emvee is ordered to report. The ekly guarantee scheme would wide that, when an employee gins work on a Monday morng, he is automatically credited th 40 hours of work for the eek. It would be up to the commy to find something for him to

Other demands will be for a 316-an-hour wage increase, old gensions, and welfare benefits.

oday, the delegates were told, runs clow that level. iners Supported—Next, as always,

mers Supported—Next, as always, the broad, general resolutions in characterize every meeting of those at Detroit included an excondemnation of the Supreme taffirmation of the mine workers'

hen the top bargaining committee ght in its recommendations for the ands to be presented to G.M. Any cil member could advance his own; did. Any member could criticize many did. They argued over flaws saw in the grievance procedure. They are procedure.

he decisions of the council (box, e) will be presented by the delek when they return home, to the bers they represent. When approval his level has been obtained—practy a foregone conclusion—the deds will be presented to G.M.

Earnest—As always, the meeting intensely serious throughout—far to so than the average convention to usinessmen. The reason is simple. On delegates at a C.M. council to use their means of life. Further, feel their views are valuable and ential—a union council meeting is typical gathering where speeches, respectively. The propositions are presented to a positions are presented to a position of the proposition of the presented to a position of the presented to a

he Old and the New-The average gate at the G.M. conference was been 40 and 45 years old. Gray heads commonplace. These are the W. veterans of the '37 sitdowns and early union struggles. But a sprink-of young men with service dis-

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IS OVER THE PICKET LINE OUT?

Use of a helicopter to keep raw materials moving over—instead of through—a picket line ended this week, at least temporarily. When its 2,000 A.F.L. electrical workers elected to pass through picket lines of 32 striking A.F.L. teamsters, Cornell-Dubilier Electric Corp. of New Bedford Mass., hired a commercial helicopter to get supplies to the plant Pickets tried flying box kites to stop landings, urged Washington to bar use of aircraft as strike fighters. Flights ended when teamsters threatened to bar gasoline deliveries by picketing the helicopter's home air field.

charge emblems in their lapels kept the group from being uniformly middleaged. These are the new faces, the new elements of U.A.W. leadership.

Only a few fitted the general concept of a labor delegate. Most wore white shirts, conservative neckties. Trousers were pressed to sharp edge; none sagged. Faces were clean shaven. In private conversation, voices were restrained and language natural-quite different, incidentally, from the amplified, rolling periods which characterized the debate. • Little Dissension-On uncomfortable chairs, in a low-ceilinged room where smoke gradually accumulated, the delegates transacted their business behind doors barred to outsiders. The session was conspicuous by the absence of corridor buzzing and whispered private discussions. Perhaps that was because the temper of the delegates was restrained; because they were simply formulating a position and not taking an "or else" attitude; because they were in fairly general agreement on what should be done, though often not on the way to do it; because the need for "deals" was lacking.

One of the last delegates to leave keynoted the easy atmosphere of the meeting. "Let's go have a beer and then head for home," he said to his companion. "We've got time for one with-

out hurrying."

OIL RAISE OVER 20¢

The second-round pay raise pattern the oil industry appeared set this we Increases ranging from 20ϕ to 2 an hour had been written into a contracts covering half of C.I.O.'s workers. Their Oil Workers Intentional Union and five remaining maemployers were bargaining near than 200.

A stalemate in bargaining last more brought strike threats from 20,000 we ern C.I.O. oil workers (BW-Feb.224 p84). After a deadline extension, not tiations resulted in a compromise of 20.2¢ hourly increase, and a 1947 of tract without a tie-up. The O.W.I. had demanded 25¢ an hour.

A subsequent settlement gave To Oil Co. employees a straight 226 is crease from February through Septer ber, 1947. Major companies still a signed at midweek were Cities Scroil Socony-Vacuum, Gulf, Pure Oil, a Shell. Cities Service was threaten with a strike.

Sinclair Oil Co. was first to sign withe union in the current second roupay drive. Sinclair gave 18¢ an hour, hagreed to adjust the figure upward quiterly if the cost-of-living index is materially. The O.W.I.U. demand for 25¢ hourly increase is equal to the a justment made thus far by Sinclair.

TERNATIONAL OUTLOOK

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Executives should keep two points clearly in mind in appraising this week's dramatic foreign policy developments:

(1) The proposed \$400-million loans to Greece and Turkey are only the first of a series which this country will make to support governments now threatened by Communist minorities.

China is likely to fall into this group as soon as Chiang Kai-shek makes his government more representative of the county as a whole than it is now.

(2) The U. S. civilian and military technicians who will administer the spending of the loan in each country can encourage sound industrialization which inevitably will make these countries better markets for U. S. goods.

Don't overlook the fact that the present loans are expected to carry Greece and Turkey only through June of next year.

Further loans to Athens and Ankara are inevitably going to be necessary.

Engineers familiar with the reconstruction jobs to be done, and with the problems of creating industries in these two countries, believe that at least \$1 billion will be required during the next five years.

Also, while no provision is made in the pending agreements for the establishment of U. S. naval or air bases, you can be sure that local defense requirements will be charted with:

(1) An eye on the over-all defense of the Middle East.

(2) All installations made according to U. S. standards, with all equipment and auxiliary installations coming from this country.

British investment confidence has begun to react seriously to the mounting evidence of the country's desperate economic situation.

Government bonds, after turning weak during the coal crisis, declined sharply this week to new lows for the year.

In contrast, gold mining shares have been strong all week.

So were Brazilian rail shares, following the announcement that British owners have sold the Sao Paulo Railway to the Brazilian government.

As in the case of the pending Argentine rail sales, the price likely to be received is above the amount that—up to recently—had been expected.

Not all British companies are pessimistic over the long-term outlook.

As part of a vast expansion in the chemical field, Shell Petroleum Co., Ltd., has just announced plans for construction of a \$10-million chemical solvents plant in Cheshire.

The project is in line with current British plans to make the Empire more self-sufficient; as in many cases, U. S. business will suffer.

Crude petroleum for the new plant will come from the Netherlands West Indies, where sterling can be used to pay for all supplies.

Output of refined products for British consumption will save \$4 million annually by replacing imports from the U.S.

Similarly, Stewarts & Lloyds, kingpin in Britain's steel industry, has announced plans for a new \$50-million mill at Corby.

The expansion will double the company's ingot capacity, make Corby the largest steelworks in Britain, and provide the base for enlargement of the company's tube production.

London is counting on German reparations in part to equip the new mill;

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INTERNATIONAL OUTLOOK (Continued)

BUSINESS WEEK MARCH 15, 1947 earmarked now are the huge bessemer converters from the famous Hermann Goering Works, at Salzgitter.

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Another British business is keying an expansion of its export program to industry in a former enemy country.

Plagued with a continuing labor shortage, <u>Lancashire textile manufacturers</u> are now negotiating in Japan for 50,000,000 yd. of gray goods which will be finished in British mills and sold for export in Burma and Africa.

In this way London hopes to recapture important markets lost to Tokyo in the last ten years before the war.

Individual U. S. businessmen will soon be invited to Japan to make direct contact with former Japanese suppliers.

Washington may announce almost any day:

- (1) An export value for the yen in relation to the dollar;
- (2) A list of Japanese industries capable of handling export orders;
- (3) Some Washington headquarters at which applications for a buying trip to Japan will be accepted.

Despite the gloomy political and economic outlook in China, foreign textile operators are showing an interest in the report from Shanghai that the Chinese government is preparing to sell its textile business to private firms.

To go on the block are Japanese textile mills seized after V-J Day and operated since then by China Textile Industries, Inc., on behalf of the government.

Included in the deal are factories with a total of 1,570,000 cotton spindles and 34,437 looms.

Woolen mills normally turning out nearly 50% of Chinese production will also be sold.

Foreign firms will be allowed to bid on equipment, which is valued at nearly \$100 million—provided they agree not to export it.

For what it is worth, Chinese officials promise that foreign operators will be allowed to transfer profits out of China.

U. S. textile-equipment manufacturers have an opportunity at big export sales if they can make deliveries within a reasonable time.

Mexican and Indian textile missions visited the U. S. last year. Argentine manufacturers have recently been surveying U. S. production methods. And within a week another big Indian manufacturer will arrive in this country with a staff of technical assistants.

Indian excutives also continue to show mounting interest in the chemical industry, particularly plastics. Practically all equipment orders, however, will be contingent on technical assistance and share-the-profit contracts.

Sweden is threatening to nationalize its oil industry.

A government-appointed survey committee has just recommended that, beginning July 1, 1948, the importation and distribution of gasoline and fuel oils be handled by the government.

Six foreign oil companies—including Standard Oil (N. J.), the California Texas Oil Co., Socony-Vacuum, and Gulf Oil—would lose a profitable distribution business in Sweden if the proposal is adopted.

USINESS ABROAD

ubber Plant Pays Off

Canada's war-born synthetic plant at Sarnia attracts other ustries to its area. After outstripping earlier production goals, plant diversifies into a greater range of products.

ARNIA, ONT.—The Canadian govnent's synthetic rubber plant, Poly-Corp. Ltd., is five years old. This million accumulation of silvery ers and spheres, overhead pipelines, it red buildings, and a five-stack er house stands on an Indian reseron on the banks of the St. Clair er, 50 miles northeast of Detroit.

olymer Corp. is a unique business by. Founded as a Crown company, 942, it operates on private business but with the authority of a governate agency. Thus, it has merged the ats of preeminent private industrial

rests.

articipants—Polymer invited private stry to set up subsidiaries to operon a management-fee basis for the un company. These were St. Clair tessing Corp. Ltd., a subsidiary of read, Ltd.; and Canadian Synthetic ber Ltd., a subsidiary of the four or rubber processing companies in ada: Goodyear Tire & Rubber Co., v Toronto; B. F. Goodrich Tire & ber Co. Ltd., Kitchener; Firestone & Rubber Co., Hamilton; and minion Rubber Co. (subsidiary of S. Rubber Co.), Montreal. Polymer over St. Clair from Imperial Oil 946.

he plant and materials at Polymer ing to the Canadian people, but the bloyees are hired and paid by the vidual companies rather than by

mer Corp.

year, Polymer took a proud look its shoulder, then prophesied an ally auspicious future for the firm.

as slated to produce 90,200,000 lb. buna-S and butyl rubber annually. Its first calender year of production produced 78,000,000 lb. In 1945 med out 102,000,000 lb. Last year roduced 114,000,000 lb.—an output above rated plant capacity.

roduction was originally intended cipally for Canadian rubber consum-Last year Polymer exported 50,600,-lb. valued at approximately \$10-ion, to the United States, Europe, Latin America.

to sell rubber at an attractive price,

ith Hope-Polymer expects to be

cover all normal out-of-pocket expenses, set aside reserves for depreciation, amortization, and obsolescence, and return to the government interest on the initial investment.

In the more distant future, however, Polymer sees tricky navigation ahead. From a small beginning in 1944, experimentation has been under way to find new types of synthetics and new uses. The plant is gradually being adapted to make a wider range of products, shifting with consumer demand and preference.

 Products—Measuring its achievements, which are said to typify the work continuing in the research end of the plant,

Polymer reports:

In 1945, Polymer produced two types of solid rubber-buna-S and butyl-and two types of latex. It is now producing four types of buna-S (or GR-S), three types of GR-S latex, three types of butyl, plus substantial quantities of two experimental types of butyl. One of

these new types is still under wraps. The other is credited with a high resistance to ozone and recommended for certain types of electrical wiring.

Within a few months Polymer expects to have two additional types of GR-S latex in production, one with an assured future in foam-rubber products.

• Among Other Things—Another new Polymer product being made in the low-temperature polymerization equipment of the butyl unit will have applications in packing and storing citrus fruits. Two other types have reached the pilot plant stage. One is an oil resistant product. The other, with high styrene content, shows promise of long-wearing qualities such as are needed in rubber soles. Polymer also:

• Is prepared to make almost any of the varieties of synthetic rubbers so far discovered—there are some 280 varieties

of GR-S alone.

• Has set up a new fractionating tower in the butylene concentration unit which will permit output of 5% to 10% more butylene from the petroleum feed stocks.

• Is making raw materials available to other industries. These materials include ethylene, butane, isobutylene,

butylene, and propane.

• Plants in Area—The firm's excess output of styrene has resulted in the establishment of two new factories in Canada: the Dow Chemical plant adjacent to Polymer and the Monsanto plant on the Island of Montreal. These plants cost about \$2,000,000 and employ



Canada's prosperous synthetic rubber plant at Sarnia: The Canadian people own it, but private companies hire the employees and meet the payrolls.



BIG "SPRAY GUN" FOR ELECTRONIC WIRING

Radio circuits are literally sprayed into being in London these days—at the rate of one every 20 seconds. A similar process has been used for small radios in this country (BW—Feb.23'46,p19). Now Sargrove Electronics, Ltd., has developed a mass-production machine. It sprays metal onto a flat plastic base which has recesses shaped like wires, resistors, and inductances. One spraying in the long, narrow machine produces a complete circuit, requiring only tubes, condensers, and a loudspeaker.

scores of Canadian technicians. Products of the new plants will provide new materials for other Canadian plants, new employment in related industries.

In addition, Dow is planning to spend \$10 million more on new plants and Standard Chemical Co., Montreal, is planning a \$3-million plant near Polymer.

Finally, three other major industries are definitely interested in the Sarnia area because of Polymer's byproduct output.

BOOSTS BRITISH EXPORTS

The British Export Trade Research Organization (BW-Apr.14'45,p113) has completed its first year of active operation.

According to its chairman Leslie Gamage, some 600 overseas inquiries and research commissions have been handled by the staff.

B.E.T.R.O. is a private association. Its aim is active promotion and discovery of overseas markets for British products. Membership now includes the "big five" banks and more than a score of trade associations. The Bank of England is a subscriber.

The organization reports initial interest of British manufacturers in liberated countries and the Middle East has shifted in the long-run to Argentina and

South America. The organization has found overseas markets for such diverse items as lighthouse equipment and bows and arrows.

INTAVA TO LÍQUIDATE

Intava, Inc., the foreign agency for distributing aviation products of Standard Oil Co. (New Jersey), and Socony-Vacuum Oil Co., is to be liquidated by the end of 1948.

There are two principal reasons for this move. First, Intava couldn't legally sell in the U.S. Therefore many customers who bought Intava fuel abroad used other fuels within the U.S. (If they hadn't it would have looked like an "understanding" existed.) This loss of sales in the U.S. became increasingly important as American airlines expanded their world services, and as foreign lines got more U.S. fuel-stops.

Second, one of the partners in Intava feared that sooner or later the arrangement might be hoist with a Justice Dept. petard. The other partner believed contrariwise. The split puts the two firms technically in competition overseas. However, each company is equipped to serve some areas better than the other. Anyway, with expanding international air transport, well-traveled routes may be able to sustain competing suppliers.

Leipzig Success

Second postwar fair brin buyers from all Europe. Consun goods in heavy demand. Trad is in hard money or by barte

LEIPZIG—The second postwar L zig Fair, which opened last week, unexpectedly successful. With do the first Fair's number of exhibiton attracted 2,000 foreign buyers. Altho only two came from the U.S., as foreign agents were buying for U customers. About 75% of the exhibitory

The Fair symbolizes the heavy phasis on exports which has characted Soviet occupation policy. Soviets have pushed production in eastern zone to an estimated 55% prewar output. In January, exports fit the zone topped imports by 7%. Me while, U.S.-zone production estima have been revised down to 35% of pwar.

• Barter Strong—The eastern zone netrades with France, Norway, Swed Austria, Czechoslovakia, and Polathough heaviest shipments go to U.S.S.R. and to the other zones. In zonal trade for marks is dull, but barter is of some consequence, bolster foreign trade further a \$2 netrade pact with Norway was sign in February.

The bulk of the transactions at Fair were for consumer goods-textil ceramics, typewriters, optical goods, metics, and other nonessentials. De ery dates run up to four months. He buyers in these categories were f Scandinavia and the Low Count France and Britain, looking for he industry equipment, found delidates a year away. Most production this category (from Soviet-owned plan is still destined for Russia as reparation • Hard Money Talks-The U.S.S. zone traders will accept any hard rency: dollars, pounds, Swiss francs, Swedish kroner. By so doing they a trade advantage over the U.S.J. zone where dollars or pounds are manded. Britain placed some big term orders for machine tools and t tile equipment. French buyers, hower looking for machine tools, found the francs snubbed at Leipzig.

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When

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The U.S.S.R.-zone is itself able provide materials for hard-curren orders. Where trade in hard mon wasn't possible, German firms a manded raw materials. On such do the buyer supplies materials, gets 6 finished goods production.

of finished goods production.

• Russians Watch—Norway and Demark are being asked to pay in pound All transactions at the Fair are review.



NATURE HAS Sharper TEETH

A manufacturer of metal equipment in the Midwest was desperate. Rust and corrosion, like a horde of rats, were gnawing away at a hundred-thousand dollars worth of hand tools in his machine shop.

is company's chemists experimented th one precautionary measure after other-yet nothing stopped nature's

or

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When one of our lubrication engiers was consulted, he informed the company that the Cities Service research laboratories had recently perfected, after years of development, a remarkably effective rust preventive (called Anti-Corrode). It was given exhaustive tests at once and the chemists soon reported rust and corrosion were stopped dead. From that point on, everything down to and including pliers and screw drivers was coated with Anti-Corrode.

Cities Service serves all industries with hundreds of quality products from our refineries and research laboratories. And, like our good friends above, the many, many companies which we serve have found that ...

I	SERV	ICE	OIL	COM	PANY						
Y	WALL	TOW	ER,	NEW	YORK	5,	N.	Y.,	ROOM	18	

I would like a free demonstration of your rust-preventive and rust-removal products, at no obligation.

(This offer available only in Cities Service marketing territories East of the Rockies.)

Cities Service means **Great Service**

-ALL THE WAY FROM THE REFINERY (TO YOUR PLANT SERVICE

CADADIAD MANUFACTUR

Canadian manufacturer in heavy industry in Ontario now having ten million dollars annual sales has plant capacity warranting the taking on of additional lines to build for American Companies desirous of placing their product on Canadian or export market.

If your company can utilize plant with heavy machining, forging and plate shop capacity write

Box 529, Business Week 330 W. 42nd St., New York 18, N. Y. PRINCIPALS ONLY-NO BROKERS





Communications Hurdles

Status of Services to Countries Formerly Under Enemy Control

Radio Telegraph Personal &					Trad	de tried
Business	Calla	Parcel			Mili-	Pri
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Yes	No	44 lb.	No	No		Yes
Yes	No	44 lb.	Yes	Yes5		Yes
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	Telegraph Personal & Personal & Business Mail Yes¹ Yes¹ Yes¹ Yes	Telegraph Personal & Business Mail Cable Yesl No Yesl No Yesl No Yes No Yes Yes Yesl No Yes Yes Yes No	Telegraph Personal & Business Business Parcel Yes¹ No 11 lb.² Yes¹ No 11 lb.² Yes¹ No 11 lb.² Yes No 11 lb.² Yes No 11 lb.² Yes No 11 lb.² Yes No 22 lb. Yes¹ No 22 lb. Yes No 22 lb. Yes No 22 lb. Yes No 44 lb. Yes No 44 lb. Yes No 44 lb. Yes No 22 lb. Yes Yes 11 lb.² Yes Yes 11 lb.² Yes Yes 11 lb.² Yes Yes 11 lb.²	Telegraph Personal & Business Mail Cable Post To	Telegraph Personal & Business Mail Cable Post To From	Telegraph Personal & Parcel Money Order Mili-

Data: Dept. of Commerce, Office of International Trade, Post Office Dept.

1 Mail pertaining to business is allowable if no contracts are made.

2 Only one package weekly from one sender to an address in Germany and Austria is permitted, one entro weeks to Greece.

Available if addresses or consignee is military or civil employee under APO address.

All money orders must be certified through United Kingdom.

No restrictions on receiving postal money orders—dependent entirely on country's internal regulation.

Subject to import and export and foreign exchange control regulations of the respective foreign government.

able by the Soviet Military Government. Soviet officials instructed some exhibitors in advance that only provisional orders should be booked because reparations claims on current production would preclude delivery. Most of these firms are Soviet-owned-awarded to Russia at Potsdam but not dismantled and

A.F.L.-Affiliate Gains In Union Power Shift

OTTAWA-There is no campaign for antilabor legislation in Canada like the one being waged in Washington. However, a shift in union affiliation is in progress. Some C.I.O.-affiliated Canadian Congress of Labor unions are switching to the A.F.L.-affiliated Trades & Labor Congress of Canada.

Locals of the International United Electrical Workers (C.I.O.) in and around Toronto are flirting with the International Brotherhood of Electrical Workers (A.F.L.). In British Columbia unionized loggers are moving over from C.I.O. to A.F.L.

• Two Sides-A.F.L. men say it is a revolt of the rank and file against politics in union leadership. C.I.O. men say it is a drive by A.F.L. organizers for more members, stemming from A.F.L. headquarters in Washington.

In most cases the rebellion place where Communist influence the C.I.O. union is heavy. Howev is not a simple anticommunist

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It is being waged in the Un Steelworkers (C.I.O.) where the le ship is violently anticommunist bu tively tied up with Canada's soc party (C.C.F.). There Communis fluence is said to be behind the A. which has chartered the Indepen Steelworkers Union in the Ham plant of the Steel Co. of Canada. union consists largely of steelwo who refused to go on strike at the of the C.I.O. union last summer, stayed inside the plant night and and kept it going.

• What It Means-Politically the m

ment is considered important bed it embarrasses the C.C.F. That par officially indorsed as the political of the labor movement by the Cana Congress of Labor (C.I.O.). If Ch Millard, Canadian Director of the C steelworkers, loses that union to A.F.L. a good part of the C.C.F.'s backing will go with it.

SWISS GETS BIG PERU JOB

LIMA-A Swiss engineering firm, tor Columbus, has contracted to be a big new power development for I

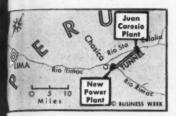
In conjunction with Cia. Italo gentina de Electricidad of Buenos A

BUSINESS WEEK . Mar. 15. WESS WE

Lima Light & Power Co., Mojumbus will put up a 63,000-kw. station at Chosica on the Rio

letor Columbus has been associated the expansion of the Lima Light wer Co. since 1922. Just before ar the firm completed construcof the 37,500-kw. "Juan Carosio" ton the Rio Santa Eulalia, a tribu-

new development down river is ted to cost from \$9,500,000 to



00,000. It will be completed in and a half years. A 7½-mi. tunnel onvey the outflow of the "Juan plant to a forebay 480 meters Chosico. There the water will opped through penstocks driven bedrock to the powerhouse to it above the town. In the process instruction some 15½ mi. of road e cut in difficult terrain.

VIET HYDRO PLANS

e of the biggest and trickiest postwar power and irrigation es is under way in the Armenian Here the Soviets started the mte Sevan Cascade project years By 1936 three power plants were ting, and two lengthy irrigation built. Now five more power staand additional irrigation are ed. Two hydro plants are already

ater diversion will lower Lake 165 ft. during the next 50 years. will reduce the lake surface from 80 sq. mi. The 29 streams now g into the 6,000-ft.-high moun-like will then maintain a water ix times as great as now. Reason face evaporation and underground will be drastically reduced. hal power output of the eight will top 600,000 kw., ranking er among the chief power sources U.S.S.R.

hydropower plant at Gyumush finished by 1950. The plant at on the lake shore (being built underground at the subsided lake will be finished sooner. Original called for nearly 200,000 acres of ted land to be devoted to cotton nulberry bushes. Local industry to up to use the power will produce um, synthetic rubber, glass, cardum, ammonia, ferro-silicon, elecic copper, and ceramics.

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(Daniel Starch Survey for BW.)

THE MARKETS (FINANCE SECTION-PA

Security Price Averages

	This Week	Week Ago	Month Ago	Year Ago
Stocks				
Industrial	143.8	149.0	156.0	166.8
Railroad	43.8	46.3	50.0	62.2
Utility	77.2	78.9	81.5	88.2
Bonds				
Industrial	123.8	111.9	112.5	116.0
Railroad	113.3	114.1	114.5	119.8
Utility	111.4	123.7	123.6	124.6

Data: Standard & Poor's Corp.

Stocks Slump Sharply

Despite the occasional firming tendencies in early New York Stock Exchange trading sessions last week, bearish elements had the last word. Prices suffered their worst slump in four months on Friday. Saturday saw them toboggan still further.

This week's early Big Board trading activity didn't produce any more encouraging results. On Monday and Tuesday, only feeble rallying tendencies appeared, and sell-orders still dictated the market's over-all price moves. And Wednesday's reaction to President Truman's speech on foreign affairs indicated that the market had not overdiscounted, pricewise, the seriousness of the situation abroad.

• Biggest Factor-According to current chatter in brokerage boardrooms, the steady growth of investor and trader worry over foreign developments has been largely responsible for the recent poor showing of stocks generally. Running close seconds in importance, however, have been some domestic

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The continued sharp rise in co ity prices has been a partic darly factor. Their climb has been more and more concern over the wage situation, and the posibili wave of consumer price esist come.

• Earnings Prospects-Those n ting on the market sidelines are that industrial earnings in the fi of 1947 are very apt to set a new In fact, the prospect of such pro els caused the buying last spri sent the stock price averages 1942-46 bull market highs.

The market, however, rarely e flects the current state of carnin dividends, or discounts the same twice. Today's price levels, inste flect an appraisal of tomorrow's and dividend disbursements. vestors and traders have discerned cent events too many earmark "boom and bust" cycle for comf

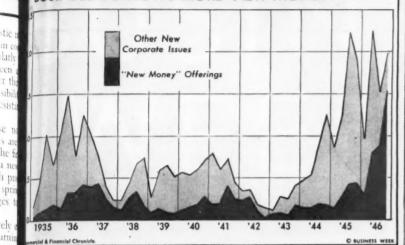
participants Doubts-Market aren't all sure that prospective half profits correctly forecast business results. They know (well that any sharp slackening day's tempo of activity could b its train lower sales volumes, operating costs, and inventory which could drastically reduce the earnings.

Up to the middle of this wo volume of trading in the "Mare off" had not reached large prop though there were a couple of

COMMON STOCKS—A WEEKLY RECORD 200 50 Industrials 160 KEY: Week's High · Close 120 - Week's L (1926 ± 100) Jan. Feb. Mar. Apr. May June July Aug. Sept. Oct. Nov. Dec. Jan. Feb. Ma 1946 1947 edard & Poor's Corp

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BUSINESS WEEK . Mar.



days. The market, also, had reed pretty much of a professional

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pertia and Apathy"—One prominent her of the Wall Street scene has bed the recent weakness to "investtinertia and speculative apathy." long this will last is anybody's

cording to a source usually well ined, however, a number of "norsmart" investment-trust manages have lately turned quite bearish the outlook for the intermediate. They expect a business "bump" hey took advantage of last month's to put themselves in shape for it.

porate Offerings Still Scarce

te tempo of activity in the new market perked up sharply last New security flotations, totaling at \$215,000,000, were offered pubthe year's highest weekly total to

iderwriters specializing in corporate cing, however, had nothing to crow t. One municipal deal (the sale of million in Michigan bonus bonds) inted for 93% of the week's ac-

is week saw new corporate flotajust as scarce. Only two imporofferings were revealed. And both red already-outstanding common sof utility operating properties, dislof by holding companies.

ming Up—Two large-scale financoperations, however, are in the Consolidated Edison Co. of York will open bids Mar. 18 cov-5100 million of new 35-year reng bonds. On Mar. 25, American hone & Telegraph Co. will sell million of "new money" deben-(page 93), the largest single block porate securities ever floated in the issues market. Wall Street seems to have no doubt that this testing of the market will prove successful—since both issues are of high investment stature, and two powerful investment banking groups are prepared to vie for the honor (and profit) of handling them.

• Cautious—Underwriters, however, are still showing plenty of caution where flotations of less-seasoned, lower-rated issues are concerned. Even though bidding was brisk for the two blocks of utility shares offered this week, no 1946-style, get-them-at-any-price tactics were disclosed.

Instead, bids for each noticeably reflected the recent stock market weakness, the recent hardening in money rates, and the 1946 underwriting losses caused by undue optimism.

In 1946, bids for similar offerings often equaled 18 times the annual earnings of issuers. And buyers had to be content with yields of under 5%. This week's winning bids, however, didn't even equal ten times earnings. Public sale of the shares offered investors yields of 6.40% and 7.25%.

• Prospects—Obviously, this refusal of underwriters to be stampeded into paying "too-rich" prices for offerings won't produce a boom-time new issues market such as was seen in 1946 (chart). But Wall Street knows too well that such wild occasions always engender serious loss-causing congestion—such as developed in the latter half of last year. And it's determined not to repeat its costly 1946 experience in 1947.

Obviously, the Street is disappointed at the size of underwritings to date. But it's still positive that its saner 1947 pricing policies will bring, in the months ahead, a reasonably active new issues market. And it expects that such a market will prove profitable not only to borrowing corporations but, for a change, to the underwriting trade and the security-buying public, too.

= Advertisement =

WALL STREET

"Curiouser and Curiouser"

"Where am 1?" Alice was more confused than when she had fallen down the rabbit hole. "You're where you are, of course," the Duchess replied, "in the Chicago Wheat Pit, naturally." Alice didn't feel natural at all, but she thought it impolite to argue. "That man over there," announced the Duchess, "is buying September wheat."

"You mean he is buying wheat that doesn't exist?" asked Alice.

"It had better-in September," mut-

tered the Duchess darkly.
"I don't think —" said Alice.
"Then you shouldn't talk," snapped the

To 100 million or more Americans, including many financial literate. Alice's confusion is nothing if not understandable—the 38 great commodity markets are virtual Wonderlands beyond comprehension. But to thousands of others, the buying and selling of futures in wheat and cotton, soybeans and hides, are familiar operations through which they protect their capital. When a farmer in May sells wheat for September delivery, he buys protection against a drop in the market. When a cotton mill in May sells October cotton, it protects its inventory against a drop in the price of cottonand a comparable drop in the price of its finished goods.

But transactions between buyers and sellers who represent trade interests are rarely in balance. And that's where speculators play their vital role. Without speculative activity, markets would not be fluid, price swings would be much sharper. The risks these speculators take are great—too great for all bût the well-heeled and the well-versed—but so too are their rewards.

In this specialized field, the nationwide investment firm of Merrill Lynch, Pierce, Fenner & Beane is definitely not "small potatoes." Its Commodity Department serves commodity-traders exceedingly well. Reason: with access to the firm's 45,000 miles of private wires, connecting 92 offices, it provides sources of information vital to efficient trading. In markets that move in minutes, it's geared for split-minute transmission of spot news, still finds time to issue periodic studies on individual commodities.* This comprehensive approach to commodity trading has brought many a "well done" from those who need facts, benefit from facts translated into action.

Newest study "Coffee" available at no charge, Just address request to Department S-9, Merrill Lynch, Pierce, Fenner & Beane, 70 Pine Street, New York 5, N. Y.

THE TREND

THE LABOR SHARE

Scarcely a week passes without bringing us an appeal from some beleaguered employer to help him disabuse someone of the notion, apparently widely held, that the cost of labor generally constitutes a minor part of the cost of finished products. The appeal usually comes in the course of wage negotiations, when the point is being made that the employer should not begrudge a large wage increase because it would not make any significant difference in final selling price.

• In one fairly typical case, the claim was made that the cost of labor in bread is less than half a cent a loaf. Similarly, the president of the International Assn. of Machinists, H. W. Brown, stated recently that on the average wages account for only 16% of the cost of manufactured goods. In other words, he said, a wage increase of 20% should cause a price increase of only about 3¢ on the dollar, not 20¢.

So far as we know, Mr. Brown was entirely sincere in his calculations. But as we shall show, they vastly underestimate the importance of the wage bill.

Direct labor costs vary widely from industry to industry. For example, in 1939, when the most recent census was taken, the wage bill in manufacturing cigarettes was only 2.5% of gross income, while in the printing industry it was 28.6%. For all manufacturing, the bill of costs broke down like this (1939, in billions of dollars):

	,	,
Cost of raw mater	ials	\$32.0 (56%)
Wages		9.0 (16%)
Salaries		
Taxes		2.5 (4.5%)
Net profit		3.0 (5%)
Depreciation, sellin	g, rent, etc	8.0 (14%)
Total value, all ma	nufactures	57.0 (100%)

Wages paid directly by manufacturers accounted for 16% of the value of all goods produced. This is the 16% Mr. Brown was talking about. But salaries must be included in labor costs. Research, designing, clerical work involve labor no less than fabricating the product. And wage raises are eventually extended to salaried workers. Thus, the payroll which manufacturers paid out directly made up 20% of total value of products.

• But C. E. Wilson, president of General Electric, has said that a 10% increase in labor costs would necessitate a 7.5% increase in G.E. prices, which means that three-fourths of G.E.'s total cost must be for labor. The difference between 75% and 20% is so great that Mr. Wilson and Mr. Brown quite obviously must have been talking of different things. And so they were. For Mr. Wilson clearly assumed that, as was the case in 1946, the cost of labor would go up in other industries as well as his own. As a result his company would be required

to pay higher prices for the wide variety of items it b from other producers.

• The fact is that labor receives a cut out of alm every payment a manufacturer makes. This can be a from a study of the breakdown of manufacturing con Raw materials are the clearest example. But the mufacturer who pays out money for taxes or who a depreciation funds to replace equipment is also maked a payment to labor somewhere along the line. Unsuch circumstances it is virtually impossible for individual producer to determine just what proport of his total costs finally ends up in the pockets of work

The truth is that the national income figure gives the only measure of how these total costs are divided among those who cooperate in the process of prodition. National income includes all wages, salar returns on investments, and payments to farmers a other income recipients.

The table at the bottom of this column shows received the U.S. national income in first-half !! About two-thirds went to those who earned salaris wages. This means that 67 cents out of the average do paid for goods and services went to labor and admittative or supervisory personnel.

• But even 67% does not measure the true share of national income that goes for work performed. A g part of the income flowing to the small businessm the professional worker, and the farmer really is a ment for the time and work they put in on the job. Of a fraction of these incomes should be chalked up a return on land or capital.

All in all, payments for personal effort probably of to 75¢ out of every dollar of income—quite a leway from the "half a penny a loaf." For this reason, economy-wide advance in wage-rates inevitably involved some increase in prices. Experience during the pasty has once again demonstrated what should be this elematery economic fact.

WHERE THE INCOME GOES

(1946 national income, distributive shares)

		% of
	Billions	Total
Compensation to employees	. \$110	67
Dividends, corporate savings		7
Agricultural proprietors	. 15	9
Unincorporated businesses	. 15	9
Interest, rent		8
Total national income		100

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